Public Hearing - Special Meeting

Monday, August 31, 2026 6:00 PM
Board Room, 1209 Twelfth St, Palacios, TX 77465

Marcos Aparicio:	Present
Karen Botbyl:	Present
Carl Filip:	Present
Haley Garcia:	Present
Rafael Garcia:	Present
Dane Kubecka:	Present
Fabian Marroquin:	Present

1)	**Call to Order And Determine a Quorum**	
2)	**Public Hearing to Discuss Proposed Tax Rate and Budget for Fiscal Year 2026-2027**	**Presenter:** Jason Valentine and Peggy Scantlen
3)	**Public Comments/Testimony**	
4)	**Information Items**	
5)	**Staff Compensation**	
6)	**Action Items**	
6)A.	Consideration of the No-New-Revenue (NNR) Tax Rate, Voter-Approval Tax Rate (VATR), and Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service and Approval of a Proposed Interest & Sinking Rate for Debt Service that Exceeds the Minimum Amount Required	**Presenter:** Peggy Scantlen
6)B.	Approve a Proposed Interest & Sinking Rate for Debt Service that Exceeds the Minimum Amount Required	**Presenter:** Peggy Scantlen
6)C.	Consideration and Possible Action to Adopt a Resolution to Set the Tax Rate for the Fiscal Year 2026-2027	**Presenter:** Peggy Scantlen
6)D.	Consideration and Approval of a Resolution Providing for the Defeasance and Calling for Redemption Certain Currently Outstanding District Obligations in the Range of $900,000 to $1,000,000; Delegating to Certain District Officials and Staff the Authority to Effect Matters Related Thereto; and Other Matters in Connection Therewith	
6)E.	Consideration and Possible Action to Approve the Final 2025-2026 Budget Amendment	
6)F.	Consideration and Possible Action to Adopt the Fiscal Year 2026-2027 Palacios ISD Budget	
7)	**Next Regular Meeting**	

8) **Adjournment**

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Board Secretary

50-280 (Rev. 01-26/8)

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

Palacios Independent School District will hold a public
(name of school district)

meeting at 6:00 PM on August 31st, 2026 at the Palacios ISD Administration Building
(time, date, year) *(name of room, building, physical location)*

at 1209 12th Street, Palacios, TX 77465. **This meeting is to discuss**
(city, state)

the school district's budget that will determine the tax rate the school district will adopt.

The school district invites public participation in the discussion.

The tax rate the school district ultimately adopts at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

Maintenance Tax $ 0.6128 /$100 (proposed rate for maintenance and operations)

School Debt Service Tax Approved by Local Voters $ 0.2817 /$100 (proposed rate to pay bonded indebtedness)

Comparison of Proposed Budget with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories:

Maintenance and operations	0.88 % increase	or	% (decrease)
Debt service	% increase	or	14.47 % (decrease)
Total expenditures	% increase	or	3.49 % (decrease)

Total Appraised Value and Total Taxable Value
(as calculated under Tax Code Section 26.04)

	Preceding Tax Year	Current Tax Year
Total appraised value* of all property	$ 3,009,852,495	$ 5,078,777,591
Total appraised value* of new property**	$ 16,956,331	$ 67,423,844
Total taxable value*** of all property	$ 2,556,267,734	$ 2,791,567,266
Total taxable value*** of new property**	$ 10,222,452	$ 58,054,383

* Appraised value is the amount shown on the appraisal roll and defined by Tax Code Section 1.04(8).
** New property is defined by Tax Code Section 26.012(17).
*** Taxable value is defined by Tax Code Section 1.04(10).

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness* $ 102,165,000

* Outstanding principal.

Comparison of Proposed Rates with Last Year's Rates

	Maintenance and Operations	Interest and Sinking Fund*	Total	Local Revenue Per Student	State Revenue Per Student
Last Year's Rate	$ 0.6669	$ 0.2817 *	$ 0.9486	$ 19,786	$ 2,454
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	$ 0.6506	$ 0.2527 *	$ 0.9032	$ 17,492	$ 3,830
Proposed Rate	$ 0.6128	$ 0.2817 *	$ 0.8945	$ 17,486	$ 3,674

* The interest and sinking fund tax revenue is used to pay for bonded indebtedness on construction, equipment or both. The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

Comparison of Proposed Levy with Last Year's Levy on Average Residence

	Last Year	This Year
Average Market Value of Residences	$ 209,965	$ 224,279
Average Taxable Value of Residences	$ 45,642	$ 60,200
Last Year's Rate Versus Proposed Rate per $100 Value	$ 0.9486	$ 0.8945
Taxes Due on Average Residence	$ 433	$ 538
Increase (Decrease) in Taxes		$ 106

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person age 65 or older or their surviving spouse, if the surviving spouse was age 55 or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

Notice of Voter-Approval Rate: The highest tax rate the district can adopt before requiring voter approval at an election is $0.8655 *(school voter-approval rate)*. **This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of** $0.8655 *(school voter-approval rate)*.

Fund Balances

The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment:

Maintenance and Operations Fund Balance(s)	$ 2,095,446
Interest and Sinking Fund Balance(s)	$ 0

A school district may not increase the district's maintenance and operations tax rate to create a surplus in maintenance and operations tax revenue for the purpose of paying the district's debt service.

Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

50-280 Backup Documentation

PALACIOS ISD · Tax Year 2026 · Fiscal Year Start: September 1

Generated August 13, 2026 at 16:39 UTC

This document provides a complete audit trail from district checklist submissions through MoakCasey staff review to the final values printed on the Form 50-280 Notice of Public Meeting. Rows highlighted in amber indicate values modified by MoakCasey staff.

Page 1 — Meeting & Budget Notice Data

Meeting Information

Field	District Submission	Used in Notice	Source	Status
District Name	PALACIOS ISD	PALACIOS ISD	District record	
Meeting Type	Budget Adoption Meeting	Budget Adoption Meeting	MC Staff toggle	
Meeting Date	2026-08-31	2026-08-31	Checklist	
Meeting Time	6:00 PM	6:00 PM	Checklist	
Meeting Location	Palacios Independent School District Administration Building 1209 12th Street Palacios, Texas 77465	the Palacios ISD Administration Building	Checklist	✎ Modified
City, State	—	1209 12th Street, Palacios, TX 77465	Manual entry	✎ Modified

Budget Comparison — with Source Figures

Expenditure Category	25-26 (TY25) Submitted	25-26 (TY25) In Notice	26-27 (TY26) Submitted	26-27 (TY26) In Notice	% Change	Status
M&O (199) Expenditures	$19,352,194	$19,352,194	$19,429,713	$19,429,713	+0.40%	
Food Services (Fund 101)	$1,036,744	$1,036,744	$1,137,879	$1,137,879	+9.76%	
I&S (599) Expenditures	$8,104,118	$8,104,118	$6,931,661	$6,931,661	-14.47%	
M&O + Food (199 + 101)	$20,388,938	$20,388,938	$20,567,592	$20,567,592	**+0.88%**	
TOTAL (M&O + Food + I&S)	$28,493,056	$28,493,056	$27,499,253	$27,499,253	**-3.49%**	

Amber = MC modified. % Change auto-calculated.

Bonded Indebtedness & Fund Balances

Field	District Submission	Used in Notice	Source	Status
Est. Unpaid Bond Principal as of Fiscal Year End	$102,165,000	$102,165,000	Checklist	
M&O Fund Balance	$2,095,446	$2,095,446	Checklist	
I&S Fund Balance	$0	$0	Checklist	

Page 2 — M&O Rate Modal: 25-26 (TY25) & 26-27 (TY26) Proposed Rates

Proposed Tax Rates (26-27 (TY26))

Field	District Submission	Used in Notice	Source	Status
Proposed M&O Rate	—	$0.61280	M&O Rate Modal	✎ Modified
Proposed I&S Rate	$0.28170	$0.28170	Checklist	

M&O Rate Inputs

Input	Value	Source
Maximum Compressed Rate (MCR)	$0.61690	TEA / District record
Compression Ceiling	$0.62540	System setting
Tier Two Pennies (25-26 (TY25))	$0.05000	TEA / District record
Tier Two Pennies (26-27 (TY26))	$0.05000	Checklist submission
Disaster Pennies (Sec.26.042(e))	None	Checklist submission
MCR LPVS (26-27 (TY26))	$0.56280	TEA

Proposed M&O Rate Calculation

MCR: $0.56280 (LPVS override) + Tier Two: $0.05000 = **Proposed M&O Rate: $0.61280**

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25-26 (TY25) M&O Rate Source

Component	Value	Source
25-26 (TY25) MCR	$0.61690	TEA / district MCR
25-26 (TY25) Tier Two	$0.05000	TEA / district tier two
= 25-26 (TY25) M&O Rate	$0.66690	Used in rate comparison table

Page 3 — Rate Comparison Table & Voter Approval Rate

Rate Comparison

Row	M&O Rate	I&S Rate	Total Rate	Local Rev/ Student	State Rev/ Student	Source
25-26 (TY25) **Adopted** Rate	$0.66690	$0.28170	$0.94860	$19,786	$2,454	TEA / District record
Rate to Maintain Same Level	$0.65055	$0.25270	$0.90325	$17,492	$3,830	Manual / Checklist
26-27 (TY26) **Proposed** Rate	$0.61280	$0.28170	$0.89450	$17,486	$3,674	Modal / Checklist

Voter Approval Rate Breakdown

Component	Rate	Notes
Tier One MCR (TTC Sec.26.08(n)(1))	$0.61690	From TEA / district MCR
Tier Two per TTC Sec.26.08(n)(2)	$0.05000	max($0.05, Current Tier Two – Disaster Pennies) = max(0.05, 0.05000 – 0.00000)
Min Debt Service Rate (TTC Sec.26.08(n)(3))	$0.27150	From minimum debt service worksheet
= Voter Approval Tax Rate	$0.86550	Used in voter approval notice

Page 4 — CAD Values by County

CAD values are entered in the CAD Values modal by MoakCasey staff. Totals flow into the appraised and taxable value fields of the Form 50-280.

25-26 (TY25) CAD Values

County	Appraised — All Property	Appraised — New Property	Taxable — All Property	Taxable — New Property
JACKSON	$946,236,494	$9,094,291	$877,892,084	$4,111,490
MATAGORDA	$2,063,616,001	$7,862,040	$1,678,375,650	$6,110,962
TOTAL	$3,009,852,495	$16,956,331	$2,556,267,734	$10,222,452

26-27 (TY26) CAD Values

County	Appraised — All Property	Appraised — New Property	Taxable — All Property	Taxable — New Property
JACKSON	$978,614,593	$61,667,374	$894,322,572	$52,925,461
MATAGORDA	$4,100,162,998	$5,756,470	$1,897,244,694	$5,128,922
TOTAL	$5,078,777,591	$67,423,844	$2,791,567,266	$58,054,383

All CAD Totals for Notice

Description	25-26 (TY25) Value	26-27 (TY26) Value
Total Appraised Value — All Property	$3,009,852,495	$5,078,777,591
Total Appraised Value — New Property	$16,956,331	$67,423,844
Total Taxable Value — All Property	$2,556,267,734	$2,791,567,266
Total Taxable Value — New Property	$10,222,452	$58,054,383

Page 5 — Levy Values by County & Average Residence Levy

Levy values are entered in the Levy CAD modal by MoakCasey staff. These values compute the average market value, average taxable value, and taxes due on average residence.

25-26 (TY25) Levy Values

County	Market Value	Count	Homestead Cap Loss	Avg Market Value
JACKSON	$96,222,467	415	$5,512,970	$231,861
MATAGORDA	$279,405,648	1,374	$38,001,648	$203,352

26-27 (TY26) Levy Values

County	Market Value	Count	Homestead Cap Loss	Avg Market Value
JACKSON	$100,378,832	417	$3,211,975	$240,717
MATAGORDA	$294,801,135	1,345	$39,215,154	$219,183

25-26 (TY25) — Average Residence Levy

Description	Value	Formula
Average Market Value	$209,965	Total Market Value ÷ Total Count
Average Taxable Value	$45,642	Avg Market – $140,000 homestead – (Cap Loss ÷ Count)
Taxes Due	$432.96	Avg Taxable x 25-26 (TY25) Total Rate ÷ 100

26-27 (TY26) — Average Residence Levy

Description	Value	Formula
Average Market Value	$224,279	Total Market Value ÷ Total Count
Average Taxable Value	$60,200	Avg Market – $140,000 homestead – (Cap Loss ÷ Count)
Taxes Due	$538.49	Avg Taxable x Proposed Total Rate ÷ 100
Increase / (Decrease)	$105.53	26-27 (TY26) Taxes Due – 25-26 (TY25) Taxes Due

OMA Taxpayer Impact Statement

(Pursuant to Texas Government Code Section 551.043(c)(2))

PALACIOS ISD

Tax Year 2026

Fiscal Year (Tax Year)	Median-Valued Homestead*	Tax Rate per $100 of Value	Estimated Property Tax Bill
FY 2025-2026 (TY 2025)	**$14,297**	**$0.94860** Adopted 2025 Tax Rate	**$135.62** $14,297 / $100 x $0.94860
FY 2026-2027 (TY 2026)	**$13,271**	**$0.89450** Proposed 2026 Tax Rate based on proposed budget for 2026-2027	**$118.71** $13,271 / $100 x $0.89450

* Median homestead value represents a weighted average across 2 counties (JACKSON, MATAGORDA). Each county's median was weighted by its homestead count to reflect the district's overall taxpayer composition. See backup pages for county-level detail.

County-Level Detail — Weighted Average Calculation

Tax Year 2025

County	Median Value	Homestead Count	Weighted Contribution (%)	Weighted Value
JACKSON	$0	415	23.20%	$0
MATAGORDA	$18,730	1,374	76.80%	$14,385
WEIGHTED AVERAGE	**$14,297**	**1,789**	**100.00%**	**$14,297**

Tax Year 2026

County	Median Value	Homestead Count	Weighted Contribution (%)	Weighted Value
JACKSON	$760	417	23.67%	$180
MATAGORDA	$17,150	1,345	76.33%	$13,091
WEIGHTED AVERAGE	**$13,271**	**1,762**	**100.00%**	**$13,271**

August 31, 2026

<u>Revised</u> No-New-Revenue (NNR) Tax Rate, Voter-Approval Tax Rate (VATR), and Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service

<u>Background Information</u>

The following tax rates are defined under Chapter 26 of the Property Tax Code. Statute requires that the designated officer or employee calculate both rates using forms prescribed by the Texas Comptroller.

This year's no-new-revenue tax rate (formerly referred to as the effective tax rate) would impose the same total taxes as last year if applied to properties taxed in both years, less improvements made to those properties. <u>It does not account for impacts in state aid or recapture that would occur if the rate was adopted.</u>

This year's voter-approval tax rate (formerly referred to as the rollback tax rate) is the highest tax rate the school district can set before it must hold a voter-approval tax rate election (VATRE) or exercise its authority under Sec. 26.042(e).

The Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service is defined by Texas Education Code §44.004(c)(5)(A)(ii). There is no specific worksheet or methodology prescribed by the state regarding the calculation for these rates. The rates presented here were calculated using a free Summary of Finance template maintained by MoakCasey, LLC.

Rate to Maintain Same Level of M&O Revenue and Pay Debt Service — The M&O component reflects the rate needed to generate the same level of per-student funding as the prior year under the Texas Education Code Chapter 48/49 equalization formulas. The I&S component reflects the minimum rate required to meet all outstanding debt service obligations for the current year.

Pursuant to Texas Tax Code §26.05(a-2), the officer or employee designated by the governing body to calculate the voter-approval tax rate of the taxing unit under this chapter has recalculated that rate to account for the new current debt rate, and that recalculated voter-approval tax rate is reported below. This will serve as the voter-approval tax rate for Palacios ISD for the 2026 tax year.

The rates below are given per $100 of property value.

This year's no-new-revenue tax rate:	**$1.1729/$100**
This year's voter-approval tax rate (using supermajority-approved debt service amount):	**$0.8945/$100**
For maintenance and operations (M&O):	*$0.6128/$100*
For interest and sinking (I&S):	*$0.2817/$100*
Rate to Maintain Same Level of M&O Revenue & Pay Debt Service:	**$0.9033/$100**
For maintenance and operations (M&O):	*$0.6506/$100*
For interest and sinking (I&S):	*$0.2527/$100*

Source: NNR and VATR calculated from the Tax Rate Worksheet pursuant to Texas Tax Code Chapter 26. Rate to Maintain calculated using MoakCasey Summary of Finance template.

Submitted by: Peggy Scantlen, Director of Finance, Palacios ISD

2026 Tax Rate Calculation Worksheet

Form 50-884

School Districts with Chapter 313 and JETI Agreements

Palacios Independent School District	361-972-5491
School District's Name	Phone *(area code and number)*
1209 Twelfth Street, Palacios, TX, 77465	https://www.palaciosisd.org/
School District's Address, City, State, ZIP Code	School District's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per $100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate of value and the estimated values of properties under protest. The designated officer or employee shall submit the rates to the governing body by August 7 or as soon thereafter as practicable. Tax Code Section 26.04(e-1) does not require school districts to certify tax rate calculations or comply with certain Tax Code notice requirements. School districts are required to provide notice regarding tax rate calculations pursuant to Education Code Chapter 44.

This worksheet is for **school districts with Tax Code Chapter 313 or Government Code Chapter 403, Subchapter T, Texas Jobs, Energy, Technology, and Innovation Act (JETI) agreements only**. School districts that do not have Chapter 313 or JETI agreements should use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 or JETI Agreements*.

Water districts as defined under Water Code Section 49.001(1) should use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts or Comptroller Form 50-860 Developed Water District Voter-Approval Tax Rate Worksheet*.

All other taxing units should use Comptroller Form 50-856 *Tax Rate Calculation, Taxing Units Other Than School Districts*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The Texas Education Agency (TEA) provides detailed information on and guidance to school districts in calculating their tax rates. Please review and rely on information provided by TEA when completing this worksheet. Additionally, the information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

Taxing units must include a hyperlink to a document that evidences the accuracy of each entry in the worksheet other than an entry making a mathematical calculation. [1] Source materials must contain data for all worksheets used.

Insert hyperlink:

Source Documents — click to view index

SECTION 1: No-New-Revenue Tax Rate

The no-new-revenue (NNR) tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of revenue if applied to the same properties that are taxed in both years (no new taxes). When appraisal values increase, the NNR tax rate should decrease.

Chapter 313 and JETI agreements allow a school district to limit the value of certain qualified property subject to the agreement for the purposes of maintenance and operations (M&O) taxation. The value of the same property is not limited for the purposes of debt service, or interest and sinking (I&S) taxation. School districts that have entered into a Chapter 313 or JETI agreement must calculate the NNR tax rate for M&O and I&S purposes separately and then add together to determine the current year total NNR tax rate.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	**Prior year total I&S taxable value.** Enter the amount of the prior year taxable value on the prior year tax roll today. Include any adjustments since last year's certification; exclude one-fourth and one-third over-appraisal corrections made under Tax Code Section 25.25(d) from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 8). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2).[2] This also includes the taxable value of property subject to a Chapter 313 or JETI agreement prior to the limitation.	$ 2,556,267,744 Source
2.	**Prior year tax ceilings.** Enter the prior year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled.[3]	$ 15,634,071 Source
3.	**Preliminary prior year adjusted I&S taxable value.** Subtract Line 2 from Line 1.	$ 2,540,633,673
4(a).	**Prior year taxable value not subject to M&O taxation, due to limitation under Tax Code Chapter 313.** A. **Prior year I&S value of property subject to Chapter 313 agreement.** Enter the total prior year appraised value of property subject to a Chapter 313 agreement: .... $ 647,475,000 Source B. **Prior year M&O value of property subject to Chapter 313 agreement.** Enter the total prior year limited value of property subject to a Chapter 313 agreement: .... – $ 30,000,000 Source C. Subtract B from A.	$ 617,475,000

[1] Tex. Tax Code §§5.07(g)(4) and 26.04(d-1)
[2] Tex. Tax Code §26.012(14)
[3] Tex. Tax Code §26.012(14)

Line	No-New-Revenue Tax Rate Worksheet		Amount/Rate
4(b).	**Prior year taxable value not subject to M&O taxation, due to limitation under the JETI agreement.**		
	A. Prior year I&S value of property subject to the JETI agreement. Enter the total prior year appraised value of property subject to a JETI agreement	$ 0	
	B. Prior year M&O value of property subject to the JETI agreement. Enter the total prior year limited value of property subject to the JETI agreement: [4]	− $ 0	
	C. Subtract B from A.		$ 0
5.	**Preliminary prior year adjusted M&O taxable value.** Add Line 4(a)C to Line 4(b)C and subtract from Line 3.		$ 1,923,158,673
6.	**Prior year total adopted tax rate.** Separate the prior year adopted tax rate into its two components.		
	A. Prior year M&O tax rate:	$ 0.6669 /$100	
	B. Prior year I&S or debt rate:	$ 0.2817 /$100	
7.	**Prior year taxable value lost because court appeals of ARB decisions reduced the prior year appraised value.**		
	A. Original prior year ARB values:	$ 1,601,124,760	
	B. Prior year values resulting from final court decisions:	− $ 1,223,689,250	
	C. Prior year value loss. Subtract B from A.[5]		$ 377,435,510
8.	**Prior year taxable value subject to an appeal under Chapter 42, as of July 25.**		
	A. Prior year ARB certified value:	$ 170,720	
	B. Prior year disputed value:	− $ 0	
	C. Prior year undisputed value. Subtract B from A.[6]		$ 170,720
9.	**Prior year Chapter 42 related adjusted values.** Add Line 7C and 8C.		$ 377,606,230
10.	**Prior year M&O taxable value, adjusted for actual and potential court-ordered adjustments.** The taxable value for M&O purposes should be less than the taxable value for I&S purposes. Add Line 5 and Line 9.		$ 2,300,764,903
11.	**Prior year I&S taxable value, adjusted for actual and potential court-ordered adjustments.** The taxable value for I&S purposes should be more than the taxable value for M&O purposes. Add Line 3 and Line 9.		$ 2,918,239,903
12.	**Prior year taxable value of property in territory the school deannexed after Jan. 1 of the prior year.** Enter the prior year value of property in deannexed territory.[7]		$ 0
13.	**Prior year taxable value lost because property first qualified for an exemption in the current year.** If the school district increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport or goods-in- transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value**.**		
	A. Absolute exemptions. Use the prior year market value:	$ 945,270	
	B. Partial exemptions. The current year exemption amount or the current year percentage exemption times the prior year value:	+ $ 16,050,403	
	C. Value loss. Add A and B.[8]		$ 16,995,673
14.	**Prior year taxable value lost because the property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/ scenic appraisal or public access airport special appraisal in the current year.** Use only properties that qualified in the current year for the first time; do not use properties that qualified in the prior year.		
	A. Prior year market value:	$ 438,156	
	B. Current year productivity or special appraised value:	- $ 20,550	
	C. Value loss. Subtract B from A.[9]		$ 417,606

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[4] Tex. Gov. Code §403.605
[5] Tex. Tax Code §26.012(13)
[6] Tex. Tax Code §26.012(13)
[7] Tex. Tax Code §26.012(15)
[8] Tex. Tax Code §26.012(15)
[9] Tex. Tax Code §26.012(15)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
15.	**Total adjustments for lost value.** Add Lines 12, 13C and 14C.	$ 17,413,279
16.	**Adjusted prior year M&O taxable value.** Subtract Line 15 from Line 10. Note: If the governing body of the school district governs a junior college district in a county with a population of more than two million, subtract the amount of M&O taxes the governing body dedicated to the junior college district in the prior year from the result.	$ 2,283,351,624
17.	**Adjusted prior year I&S taxable value.** Subtract Line 15 from Line 11. Note: If the governing body of the school district governs a junior college district in a county with a population of more than two million, subtract the amount of M&O taxes the governing body dedicated to the junior college district in the prior year from the result.	$ 2,900,826,624
18.	**Adjusted prior year total M&O levy.** Multiply Line 6A by Line 16 and divide by $100.	$ 15,227,672
19.	**Adjusted prior year total I&S levy.** Multiply Line 6B by Line 17 and divide by $100.	$ 8,171,629
20.	**Taxes refunded for years preceding the prior tax year.** Enter the amount of taxes refunded by the district for tax years preceding the prior tax year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year.[10] **A. M&O taxes refunded for tax years preceding the prior tax year:** .... $ 5,728 **B. I&S taxes refunded for tax years preceding the prior tax year:** .... $ 2,412	
21.	**Adjusted prior year M&O levy with refunds.** Add Lines 18 and 20A.[11]	$ 15,233,400
22.	**Adjusted prior year I&S levy with refunds.** Add Lines 19 and 20B.[12]	$ 8,174,041
23.	**Total current year I&S taxable value on the current year certified appraisal roll today.** This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in line 25). These homesteads include homeowners age 65 or older or disabled.[13] **A. Certified values:**[14] .... $ 2,552,907,160 **B. Pollution control and energy storage system exemption:** Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property .... - $ 0 **C. Total current year value.** Subtract B from A.	$ 2,552,907,160
24.	**Total value of properties under protest or not included on certified appraisal roll.**[15] **A. Current year taxable value of properties under protest.** The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest.[16] .... $ 13,264,238 **B. Current year value of properties not under protest or included on certified appraisal roll.** The chief appraiser gives school districts a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties are also not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value not on the roll.[17] .... + $ 0 **C. Total value under protest or not certified.** Add A and B.	$ 13,264,238

Source

Source

Source

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Source

Source

[10] Tex. Tax Code §26.012(13)
[11] Tex. Tax Code §26.012(13)
[12] Tex. Tax Code §26.012(13)
[13] Tex. Tax Code §§26.012 and 26.04(c-2)
[14] Tex. Tax Code §26.012(6)
[15] Tex. Tax Code §26.01(c) and (d)
[16] Tex. Tax Code §26.01(c)
[17] Tex. Tax Code §26.01(d)

Line	No-New-Revenue Tax Rate Worksheet		Amount/Rate
25.	**Current year tax ceilings and new property value for Chapter 313 and JETI limitations.**		
	A. Current year tax ceilings. Enter the current year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. [18]	$ 18,974,640	
	B. Current year Chapter 313 new property value. Enter the current year new property value of property subject to Chapter 313 agreements. [19]	+ $ 0	
	C. Current year new property value for JETI agreements. Enter the current year new property value of property subject to JETI agreements. [20]	+ $ 48,750,000	
	D. Add A, B and C.		$ 67,724,640
26.	**Anticipated contested value.** Affected taxing units enter the contested taxable value for all property that is subject to anticipated substantial litigation. [21] An affected taxing unit is wholly or partly located in a county that has a population of less than 500,000 and is located on the Gulf of Mexico.[22] If completing this section, the taxing unit must include supporting documentation in Section 6.[23] Taxing units that are not affected, enter 0.		$ 0
27.	**Current year total I&S taxable value.** Add Lines 23C and 24C. Subtract Lines 25D and 26.[24]		$ 2,498,446,758
28a.	**Current year taxable value not subject M&O taxation, due to limitation under Chapter 313.**		
	A. Current year I&S value of property subject to Chapter 313 agreement. Enter the total current year appraised value of property subject to a Chapter 313 agreement.	$ 603,802,200	
	B. Current year M&O value of property subject to Chapter 313 agreement. Enter the total current year limited value of property subject to a Chapter 313 agreement.	- $ 30,000,000	
	C. Subtract B from A.		$ 573,802,200
28b.	**Current year taxable value not subject to M&O taxation, due to limitation under the JETI agreement.**		
	A. Prior year I&S value of property subject to the JETI agreement. Enter the total prior year appraised value of property subject to a JETI agreement.	$ 48,750,000	
	B. Prior year M&O value of property subject to the JETI agreement. Enter the total prior year limited value of property subject to the JETI agreement:[25]	- $ 0	
	C. Subtract B from A.		$ 48,750,000
29.	**Current year total M&O taxable value.** Add Line 28(a)C to Line 28(b)C and subtract from Line 27.		$ 1,875,894,558
30.	**Total current year taxable value of properties in territory annexed after Jan. 1 of the prior tax year.** Include both real and personal property. Enter the current year value of property in territory annexed by the school district.		$ 0
31.	**Total current year taxable value of new improvements and new personal property located in new improvements.** New means the item was not on the appraisal roll in the prior year. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the school district after Jan. 1 of the prior tax year and be located in a new improvement.		$ 58,054,383
32.	**Total adjustments to the current year taxable value.** Add Line 30 and Line 31.		$ 58,054,383
33.	**Adjusted current year M&O taxable value.** Subtract Line 32 from Line 29.		$ 1,817,840,175
34.	**Adjusted current year I&S taxable value.** Subtract Line 32 from Line 27.		$ 2,440,392,375
35.	**Current year NNR M&O tax rate.** Divide line 21 by line 33 and multiply by $100. Please consult with counsel before using this rate for the purposes of Tax Code §26.05(b).		$ 0.8380 /$100
36.	**Current year NNR I&S tax rate.** Divide line 22 by line 34 and multiply by $100.		$ 0.3349 /$100
37.	**Current year NNR total tax rate.** Add Line 35 and Line 36.		$ 1.1729 /$100

Source Source Source Source Source Source Source Source Source

[18] Tex. Tax Code §26.012(6)(A)(i)
[19] Tex. Tax Code §26.012(6)(A)(ii)
[20] Tex. Tax Code §26.012(6)(A)(iii)
[21] Tex. Tax Code §§26.012(6)(C) and 26.012(1-b)
[22] Tex. Tax Code §26.012(1-a)
[23] Tex. Tax Code §26.04(d-3)
[24] Tex. Tax Code §26.012(6)
[25] Tex. Gov. Code §403.605

Voter Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. Most school districts calculate a voter-approval tax rate that is split into three separate rates.[26]

SECTION 2: Maximum Compressed, Enrichment and Debt Tax Rate

This section calculates three components of the voter-approval tax rate:

1. **Maximum Compressed Tax Rate (MCR):** A district's maximum compressed tax rate is defined as the tax rate for the current tax year per $100 of valuation of taxable property at which the district must levy a maintenance and operations tax to receive the full amount of the tier one allotment.[27]
2. **Enrichment Tax Rate:** [28] A district's enrichment tax rate is defined as any tax effort in excess of the district's MCR and less than $0.17. The enrichment tax rate is divided into 'golden pennies' and the 'copper pennies.' School districts can claim up to 8 'golden pennies', not subject to compression, and 9 'copper pennies' which are subject to compression.[29]
3. **Debt Rate:** The debt rate includes the minimum dollar amount required to be paid toward the school district's debt service for the current year. [30] This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The MCR and Enrichment Tax Rate added together make up the school district's maintenance and operations (M&O) tax rate. Districts cannot increase the district's M&O tax rate to create a surplus in M&O tax revenue for the purpose of paying the district's debt service. [31]

If a school district adopted a tax rate that exceeded its voter-approval tax rate without holding an election to respond to a disaster in the prior year, as allowed by Tax Code Section 26.042(e), the school district may not consider the amount by which it exceeded its voter-approval tax rate (disaster pennies) in the calculation this year. This adjustment will be made in Section 4 of this worksheet.

A district must complete an efficiency audit before seeking voter approval to adopt a M&O tax rate higher than the calculated M&O tax rate, hold an open meeting to discuss the results of the audit, and post the results of the audit on the district's website 30 days prior to the election. [32] Additionally, a school district located in an area declared a disaster by the governor may adopt a M&O tax rate higher than the calculated M&O tax rate during the two-year period following the date of the declaration without conducting an efficiency audit. [33]

Districts should review information from TEA when calculating their voter-approval tax rate.

Line	MCR, Enrichment and Debt Tax Rate Worksheet	Amount/Rate	
38.	**Current year maximum compressed tax rate (MCR).** TEA will publish compression rates based on district and statewide property value growth. Enter the school districts' maximum compressed rate based on guidance from TEA. [34]	$ 0.5628 /$100	Source
39.	**Current year enrichment tax rate.** Enter the greater of A and B. [35] **A.** The district's prior year enrichment tax rate .... $ 0.0500 /$100 **B.** $0.05 per $100 of taxable .... $ 0.0500 /$100	$ 0.0500 /$100	Source
40.	**Current year maintenance and operations (M&O) tax rate (TR).** Add Lines 38 and 39. Note: M&O tax rate may not exceed the sum of $0.17 and the district's maximum compressed rate. [36]	$ 0.6128 /$100	
41.	**Total current year debt to be paid with property tax revenue.** Debt means the interest and principal that will be paid on debts that: (1) Are paid by property taxes, (2) Are secured by property taxes, (3) Are scheduled for payment over a period longer than one year, and (4) Are not classified in the school district's budget as M&O expenses. **A. Debt** includes contractual payments to other school districts that have incurred debt on behalf of this school district, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. [37] Enter debt amount: .... $ 7,510,596 **B.** Subtract **unencumbered fund** amount used to reduce total debt .... - $ 0 **C.** Subtract **state aid** received for paying principal and interest on debt for facilities through the existing debt allotment program and/or instructional facilities allotment program debt .... - $ 215,036 **D. Adjust debt**: Subtract B and C from A.	$ 7,295,560	Source Source Source

[26] Tex. Tax Code §26.08(n)
[27] Tex. Edu. Code §48.2551(a)(3)
[28] Tex. Tax Code §26.08(i) and Tex. Edu. Code §45.0032
[29] Tex. Edu. Code §§48.202(a-1)(2)
[30] Tex. Tax Code §26.012(3)
[31] Tex. Edu. Code §45.0021(a)
[32] Tex. Edu. Code §11.184(b)
[33] Tex. Edu. Code §11.184(b-1)
[34] Tex. Edu. Code §§48.255 and 48.2551(b)(1) and (b)(2)
[35] Tex. Tax Code §26.08(n)(2)
[36] Tex. Edu. Code §45.003(d)
[37] Tex. Tax Code Sec. §26.012(7)

Line	MCR, Enrichment and Debt Tax Rate Worksheet	Amount/Rate
42.	**Certified prior year excess debt collections.** Enter the amount certified by the collector. [38]	$ 257,435
43.	**Adjusted current year debt.** Subtract line 42 from line 41D.	$ 7,038,125
44.	**Current year anticipated collection rate.** If the anticipated rate in A is lower than actual rates in B, C and D, enter the lowest rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. [39] **A.** Enter the current year anticipated collection rate certified by the collector.[40] .... 98.0000 % **B.** Enter the prior year actual collection rates. .... 100.0000 % **C.** Enter the 2024 actual collection rate .... 100.0000 % **D.** Enter the 2023 actual collection rate. .... 100.0000 %	100.0000 %
45.	**Current year debt adjusted for collections.** Divide Line 43 by Line 44.	$ 7,038,125
46.	**Current year total taxable value.** Enter the amount on Line 27 of the *No-New-Revenue Tax Rate Worksheet*.	$ 2,498,446,758
47.	**Current year debt rate.** Divide Line 45 by Line 46 and multiply by $100.	$ 0.2817 /$100
48.	**Current year voter-approval tax rate.** Add Lines 40 and 47. If the school district received distributions from an equalization tax imposed under former Chapter 18, Education Code, add the NNR tax rate as of the date of the county unit system's abolition to the sum of Lines 40 and 47.[41]	$ 0.8945 /$100

Source Source Source Source Source

SECTION 3: Adjustment for Pollution Control

A school district may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The school district's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The school district must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a school district that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
49.	**Certified expenses from the Texas Commission on Environmental Quality (TCEQ).** Enter the amount certified in the determination letter from TCEQ. [42] The school district shall provide its tax assessor with a copy of the letter. [43]	$ 0
50.	**Current year total taxable value.** Enter the amount on Line 27 of the *No-New-Revenue Tax Rate Worksheet.*	$ 2,498,446,758
51.	**Additional rate for pollution control.** Divide line 49 by line 50 and multiply by $100.	$ 0 /$100
52.	**Current year voter-approval tax rate, adjusted for pollution control.** Add line 51 and line 48.	$ 0.8945 /$100

SECTION 4: Prior Year Disaster Tax Rate Adjustment

If a school district adopted a tax rate that exceeded its voter-approval tax rate without holding an election to respond to a disaster in the prior year, as allowed by Tax Code Section 26.042(e), the school district may not consider the amount by which it exceeded its voter-approval tax rate in the calculation this year. [44] As such, it must reduce its voter-approval tax rate for the current tax year.

This section applies to a school district in a disaster area that adopts a tax rate greater than its voter-approval tax rate without holding an election in the prior year, as provided for by Tax Code Section 26.042(e).

Line	Prior Year Disaster Adjustment Worksheet	Amount/Rate
53.	**Prior year adopted tax rate.** Add Line 6A and Line 6B of the *No-New-Revenue Tax Rate Worksheet.*	$ ______ /$100
54.	**Prior year voter-approval tax rate.** If the school district adopted a tax rate above the prior year voter-approval tax rate without holding an election due to a disaster, enter the voter-approval tax rate from the prior year's worksheet.	$ ______ /$100

[38] Tex. Tax Code §26.012(10) and 26.04(b)
[39] Tex. Tax Code §26.04(h), (h-1) and (h-2)
[40] Tex. Tax Code §26.04(b)
[41] Tex. Tax Code §26.08(g)
[42] Tex. Tax Code §26.045(d)
[43] Tex. Tax Code §26.045(i)
[44] Tex. Tax Code §26.042(f) and Tex. Edu. Code §45.0032(d)

Line	Prior Year Disaster Adjustment Worksheet	Amount/Rate
55.	**Increase in the prior year tax rate due to disaster (disaster pennies).** Subtract Line 54 from Line 53.	$ ______/$100
56.	**Current year voter-approval tax rate, adjusted for the prior year disaster.** Subtract Line 55 from one of the following lines (as applicable): Line 48 or Line 52 (school districts with pollution control).	$ ______/$100

SECTION 5: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-New-Revenue Tax Rate .... $ 1.1729/$100
Enter the current year NNR tax rate from Line 37

Voter-Approval Tax Rate. .... $ 0.8945/$100
As applicable, enter the current year voter-approval tax rate from Line 48, 52 or Line 56. Indicate the line number used: 48

SECTION 6: Addendum

An affected taxing unit that enters an amount described by Tax Code Section 26.012(6)(C) in Line 26 must include the following as an addendum:

1. Documentation that supports the exclusion of value under Tax Code Section 26.012(6)(C); and
2. Each statement submitted to the designated officer or employee by the property owner or entity as required by Tax Code Section 41.48(c)(2) for that tax year.

Insert hyperlinks to supporting documentation:

SECTION 7: School District Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the school district. By signing below, you certify that you are the designated officer or employee of the school district and have calculated the tax rates in accordance with requirements in Tax Code and Education Code. [45]

print here ______________________
Printed Name of School District Representative

sign here ______________________
School District Representative Date

[45] Tex. Tax Code §26.04(c)

Form 50-884 Tax Rate Calculation Worksheet — Source Documentation

PALACIOS ISD | 2026 | I&S Rate Requiring Board Action

LINE	DESCRIPTION	SOURCE DOCUMENT	PKT PAGE
1	Prior year total I&S taxable value	CAD Docs / JACKSON / Certified Reports (7/25)	10
		CAD Docs / MATAGORDA / Latest Prior Year Supplement	11
2	Prior year tax ceilings	CAD Docs / MATAGORDA / Latest Prior Year Supplement	11
		CAD Docs / JACKSON / Certified Reports (7/25)	10
4aA	Prior year I&S value — Chapter 313 agreement	CAD Docs / JACKSON / Certified Reports (7/25)	13
		CAD Docs / JACKSON / Certified Reports (7/25)	14
4aB	Prior year M&O value — Chapter 313 agreement	CAD Docs / JACKSON / Certified Reports (7/25)	15
		CAD Docs / JACKSON / Certified Reports (7/25)	14
4bA	Prior year I&S value — JETI agreement	CAD Docs / Preliminary Estimates (4/30)	16
		CAD Docs / Preliminary Estimates (4/30)	17
4bB	Prior year M&O value — JETI agreement	CAD Docs / Preliminary Estimates (4/30)	16
		CAD Docs / Preliminary Estimates (4/30)	17
6A	Prior year M&O tax rate	TEA / District	12
6B	Prior year I&S tax rate	TEA / District	12
7A	Original prior year ARB values	CAD Docs / JACKSON / Certified Reports (7/25)	18
		CAD Docs / MATAGORDA / Certified Reports (7/25)	19
7B	Prior year values from final court decisions	CAD Docs / JACKSON / Certified Reports (7/25)	18
		CAD Docs / MATAGORDA / Certified Reports (7/25)	19
8A	Prior year ARB certified value	CAD Docs / JACKSON / Certified Reports (7/25)	18
		CAD Docs / MATAGORDA / Certified Reports (7/25)	20
8B	Prior year disputed value	CAD Docs / JACKSON / Certified Reports (7/25)	18
		CAD Docs / MATAGORDA / Certified Reports (7/25)	20
12	Prior year taxable value of deannexed territory	CAD Docs / JACKSON / Certified Reports (7/25)	10
		CAD Docs / MATAGORDA / Certified Reports (7/25)	21
13A	Absolute exemptions — prior year market value	CAD Docs / JACKSON / Certified Reports (7/25)	22
		CAD Docs / MATAGORDA / Certified Reports (7/25)	21
13B	Partial exemptions	CAD Docs / JACKSON / Certified Reports (7/25)	22
		CAD Docs / MATAGORDA / Certified Reports (7/25)	21
14A	Prior year market value (ag/timber/special appraisal)	CAD Docs / JACKSON / Certified Reports (7/25)	10
		CAD Docs / MATAGORDA / Certified Reports (7/25)	21
14B	Current year productivity or special appraised value	CAD Docs / JACKSON / Certified Reports (7/25)	10
		CAD Docs / MATAGORDA / Certified Reports (7/25)	21
20A	Taxes refunded — M&O (years preceding prior year)	Tax Office Docs	23
20B	Taxes refunded — I&S (years preceding prior year)	Tax Office Docs	23
23A	Certified values	CAD Docs / JACKSON / Certified Reports (7/25)	24
		CAD Docs / MATAGORDA / Certified Reports (7/25)	25
23B	Pollution control and energy storage system exemption	*No source annotation*	
24A	Current year taxable value of properties under protest	CAD Docs / JACKSON / Certified Reports (7/25)	24

		CAD Docs / MATAGORDA / Certified Reports (7/25)	26
24B	Current year value of properties not under protest or not certi…	CAD Docs / JACKSON / Certified Reports (7/25)	27
25A	Current year tax ceilings	CAD Docs / JACKSON / Certified Reports (7/25)	10
		CAD Docs / MATAGORDA / Certified Reports (7/25)	28
25B	Current year Chapter 313 new property value	CAD Docs / Certified Reports (7/25)	29
		CAD Docs / JACKSON / Certified Reports (7/25)	14
25C	Current year new property value — JETI agreements	*No source annotation*	
28aA	Current year I&S value — Chapter 313 agreement	CAD Docs / Other	30
		CAD Docs / JACKSON / Certified Reports (7/25)	31
28aB	Current year M&O value — Chapter 313 agreement	CAD Docs / Other	30
		CAD Docs / JACKSON / Certified Reports (7/25)	31
28bA	Prior year I&S value — JETI agreement	CAD Docs / Preliminary Estimates (4/30)	16
		CAD Docs / Other	30
		CAD Docs / Preliminary Estimates (4/30)	17
		CAD Docs / Certified Reports (7/25)	29
		CAD Docs / JACKSON / Certified Reports (7/25)	31
28bB	Prior year M&O value — JETI agreement	CAD Docs / Preliminary Estimates (4/30)	16
		CAD Docs / Other	30
		CAD Docs / Preliminary Estimates (4/30)	17
		CAD Docs / Certified Reports (7/25)	29
		CAD Docs / JACKSON / Certified Reports (7/25)	31
30	Total current year taxable value of properties in territory ann…	CAD Docs / JACKSON / Certified Reports (7/25)	10
		CAD Docs / MATAGORDA / Certified Reports (7/25)	21
31	Total current year taxable value of new improvements	CAD Docs / MATAGORDA / Certified Reports (7/25)	32
		CAD Docs / JACKSON / Certified Reports (7/25)	24
38	Current year maximum compressed tax rate (MCR)	TEA / District	33
39A	Prior year enrichment tax rate	TEA / District	12
41A	Total current year debt — property tax revenue	*No source annotation*	
41B	Subtract unencumbered fund amount	*No source annotation*	
41C	Subtract state aid received	TEA / District	12
42	Certified prior year excess debt collections	Tax Office Docs	34
44A	Current year anticipated collection rate	Tax Office Docs	34
44B	Prior year actual collection rate	*No source annotation*	
44C	Current year - 2 actual collection rate	Tax Office Docs	35
44D	Current year - 3 actual collection rate	Tax Office Docs	35
49	TCEQ certified expenses for pollution control	*No source annotation*	
54	Prior year voter-approval tax rate (disaster adjustment)	Tax Office Docs	35

Blue page numbers are hyperlinks — click to navigate directly to the source documentation page.

1, 2

2025 total taxable value.	**1.** $877,892,084
2025 tax ceilings.	**2a.** $5,981,595
2025 total adopted tax rate.	**4.** 0.948600
a. 2025 M&O tax rate.	a. 0.666900
b. 2025 I&S tax rate.	+b. 0.281700
12 **2025 taxable value of property in territory deannexed after Jan. 1, 2025.**	**7.** $0
2025 taxable value lost because property first qualified for an exemption in 2026.	**8.** $4,661,730
a. Absolute exemptions.	a. $0
b. Partial exemptions.	+b. $4,661,730
14A, 14B **2025 taxable value lost because property first qualified for agricultural appraisal (1 - d or 1 - d - 1), timber appraisal, recreational/ scenic appraisal or public access airport special appraisal in 2026.**	**9.** $417,606
a. 2025 market value.	a. $438,156
b. 2026 productivity or special appraisal value.	-b. $20,550
2026 certified taxable.	$889,633,063
25A **2026 tax ceilings.**	**17a.** $7,009,712
30 **Total 2026 taxable value of properties in territory annexed after Jan.1, 2025.**	**19.** $0
Total 2026 taxable value of new improvements and new personal property	**20.** $52,925,461

* 2025 Values as of Supplement 10.

Average/Median Market & Taxable of Homesteads

	Current	Prior
Tax Year	2026	2025
HS Total Market	$100,378,832.00	$96,222,467.00
HS Total Taxable	$19,908,967.00	$17,698,130.00
HS Count	417	415
HS Average Market	$240,716.62	$231,861.37
HS Average Taxable	$47,743.33	$42,646.10
HS Median Market	$220,670.00	$217,290.00
HS Median Taxable	$760.00	$0.00

Matagorda County

2025 CERTIFIED TOTALS

As of Supplement 76

23 - PALACIOS ISD

Property Count: 9,352 | Grand Totals | 7/15/2026 11:21:59AM

Land		Value			
Homesite:		43,087,150			
Non Homesite:		264,853,089			
Ag Market:		452,773,504			
Timber Market:		30,000	Total Land	(+)	760,743,743
Improvement		**Value**			
Homesite:		240,297,840			
Non Homesite:		1,285,890,037	Total Improvements	(+)	1,526,187,877
Non Real	**Count**	**Value**			
Personal Property:	458	209,630,180			
Mineral Property:	853	62,136,720			
Autos:	0	0	Total Non Real	(+)	271,766,900
			Market Value	=	2,558,698,520
Ag	**Non Exempt**	**Exempt**			
Total Productivity Market:	452,803,504	0			
Ag Use:	15,906,832	0	Productivity Loss	(-)	436,896,042
Timber Use:	630	0	Appraised Value	=	2,121,802,478
Productivity Loss:	436,896,042	0			
			Homestead Cap	(-)	38,001,618
			23.231 Cap	(-)	20,184,859
			Assessed Value	=	2,063,616,001
			Total Exemptions Amount (Breakdown on Next Page)	(-)	385,240,351
			Net Taxable	=	1,678,375,650

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
DP	3,398,865	48,918	0.00	1,391.26	29
OV65	109,104,667	9,603,558	29,751.56	58,508.12	644
Total	112,503,532	9,652,476	29,751.56	59,899.38	673
Tax Rate	0.9486000				

Freeze Taxable (-) 9,652,476

Freeze Adjusted Taxable = 1,668,723,174

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
15,859,259.59 = 1,668,723,174 * (0.9486000 / 100) + 29,751.56

Certified Estimate of Market Value:	2,557,335,559
Certified Estimate of Taxable Value:	1,677,026,505

Tax Increment Finance Value:	0
Tax Increment Finance Levy:	0.00

PALACIOS ISD

6A, 6B, 39A

		SY 2024-25	SY 2025-26	SY 2026-27
Students				
1.	Refined Average Daily Attendance (ADA)	1,153.101	1,169.987	1,162.500
2.	Regular Program ADA (Ref ADA - Spec Ed FTEs - CT FTEs)	924.445	918.179	919.221
3.	Special Education FTEs Detail Report	56.507	62.179	62.179
4.	Career & Technology FTEs	172.149	189.629	181.100
5.	Weighted ADA (WADA) Detail Report	2,113.752	2,253.180	2,247.059
	WADA-to-ADA Ratio	*1.833*	*1.926*	*1.933*
6.	PEIMS Enrollment	1,265	1,273	1,250
Property Values				
7.	Prior Tax Year State Certified Property Value	$1,656,071,599	$2,287,562,714	$2,343,449,433
8.	Current Tax Year State Certified Property Value	$2,287,562,714	$2,343,449,433	$2,177,719,058
	Year-Over-Year Value Change	38.13%	2.44%	-7.07%
Tax Rates and Collections				
9.	Current Tax Year M&O Tax Rate	$0.666900	$0.666900	$0.612800
10.	Tier One Tax Year M&O Tax Rate	$0.616900	$0.616900	$0.562800
11.	Maximum Compressed Tax Rate	$0.616900	$0.616900	$0.562800
	Tier Two, Level One Pennies (Golden Pennies)	*$0.050000*	*$0.050000*	*$0.050000*
	Tier Two, Level Two Pennies (Copper Pennies)	*$0.000000*	*$0.000000*	*$0.000000*
	VTCS 2784g Pennies (Unequalized Pennies)	*$0.000000*	*$0.000000*	*$0.000000*
12.	M&O Tax Collections Detail Report	$11,325,768	$14,909,249	$12,751,043
	M&O Collections Relative to T2	*74.2%*	*95.4%*	*95.5%*
13.	I&S Tax Rate	$0.281700	$0.281700	$0.281700
14.	I&S Tax Collections	$6,613,862	$6,265,029	$7,476,416
	I&S Collections Relative to T8	*79.6%*	*75.1%*	*94.8%*
15.	Total Tax Collections	$17,939,630	$21,174,278	$20,227,459
16.	Total Tax Levy	$23,175,631	$22,197,251	$21,201,929
Funding Components				
17.	District Basic Allotment * TR / MCR	$6,160	$6,215	$6,215
18.	School Safety Allotment (SSA) ADA	1,153.101	1,169.987	1,162.500
19.	ASF ADA	1,166.608	1,153.101	1,169.987
20.	Per Capita Rate	$619.868	$471.190	$620.000
Program Intent Codes - Allotments				
Tier One Subchapter B and C Allotments		SY 2024-25	SY 2025-26	SY 2026-27
21.	11-Regular Program Allotment 48.051	$5,694,581	$5,706,482	$5,712,959
22.	Small and Mid-Size Allotment 48.101	$1,539,201	$1,789,531	$1,788,804
23.	23-Special Education Adjusted Allotment 48.102 *(spend 55% of amount)*	$1,962,556	$2,266,038	$2,445,436
24.	37-Dyslexia Allotment 48.103 *(spend 100% of amount)*	$33,264	$35,426	$34,804
25.	24-Compensatory Education Allotment 48.104 *(spend 55% of amount, **spend req. repealed beginning with 25-26 school year**)*	$1,321,149	$1,418,644	$1,393,862
26.	25-Bilingual Education Allotment 48.105 *(spend 55% of amount)*	$136,719	$129,683	$130,376
27.	22-Career and Technology Allotment 48.106 *(spend 55% of amount)*	$1,807,748	$2,083,488	$1,916,653
28.	11-Public Education Grant 48.107	$0	$0	$0
29.	36-Early Education Allotment 48.108 *(spend 100% of amount)* ***INCLUDES REALLOCATION UNDER HB2***	$230,417	$318,507	$287,027
30.	21-Gifted & Talented Adjusted Allotment 48.109 *(spend 100% of amount)*	$24,342	$25,152	$24,990
31.	38-CCMR Outcomes Bonus 48.110 *(spend 55% of amount)*	$91,000	$83,000	$83,000
32.	Fast Growth Allotment 48.111	$0	$0	$0
33.	Teacher Incentive Allotment 48.112	$132,888	$141,819	$141,819
34.	Mentor Program Allotment 48.114	$0	$0	$0
	School Safety Allotment 48.115	$41,531	**MOVED TO 48.160**	**MOVED TO 48.160**
35.	Rural Pathways Excellence Partnership (R-PEP) Allotment and Outcomes Bonus 48.118	$0	$0	$0
	Early Literacy Intervention Allotment 48.122	*N/A*	*N/A*	$0
Tier One Subchapter D Allotments		SY 2024-25	SY 2025-26	SY 2026-27
36.	99-Transportation Allotment 48.151	$176,287	$176,287	$176,287
37.	99-New Instructional Facility Allotment 48.152	$1,153,102	$0	$0
38.	Dropout Recovery and Residential Placement Facility Allotment 48.153	$0	$0	$0
39.	Tuition Allotment for Districts not Offering all Grade Levels 48.154	$0	$0	$0
40.	College Preparation Assessment Reimbursement 48.155	$1,053	$4,255	$4,255
41.	Certification Examination Reimbursement 48.156	$0	$3,441	$3,441
	Preparing and Retaining Educators through Partnership (PREP) Allotment 48.157	*N/A*	*N/A*	$0
42.	Teacher Retention Allotment 48.158	*N/A*	$552,000	$552,000
43.	Support Staff Retention Allotment 48.1581	*N/A*	$54,275	$54,317
44.	Special Education Full Individual and Initial Evaluation (FIIE) Allotment 48.159	*N/A*	$51,000	$51,000
45.	School Safety Allotment 48.160	*N/A*	$91,767	$91,609
46.	Allotment for Basic Costs 48.161	*N/A*	$134,938	$132,500
47.	Total Cost of Tier One Detail Report	$14,345,837	$15,065,732	$15,025,139
48.	Local Fund Assignment	($14,111,974)	($14,456,740)	($12,256,203)
49.	Per Capita Distribution from Available School Fund (ASF)	($723,143)	($543,330)	($725,392)
Foundation School Program (FSP) State Funding				
50.	FSP State Share of Tier One *(Total Cost of Tier One - Local Fund Assignment - ASF)*	$0	$65,662	$2,043,544
51.	Tier Two Detail Report	$167,013	$274,212	$350,217
52.	Other Programs Detail Report	$2,165,999	$1,591,943	$1,102,811
53.	Total FSP Operations Funding	$2,333,012	$1,931,818	$3,496,571
State Aid by Fund Code / Object Code - Funding Source		SY 2024-25	SY 2025-26	SY 2026-27
M&O State Aid				
54.	199/5812 - Foundation School Fund	$2,282,412	$1,855,438	$3,421,571
55.	199/5811 - Available School Fund	$723,143	$543,330	$725,392
56.	410/5829 - Instructional Materials & Technology Fund	$50,600	$76,380	$75,000
I&S State Aid				***ASAHE REDUCED DUE TO NEW PENALTY UNDER TEC 46.071(d-1) (SB4/SB23).↓***
57.	599/5829 - EDA	$0	$0	$0
58.	599/5829 - Instructional Facilities Allotment (Bond)	$0	$0	$0
59.	199/5829 - Instructional Facilities Allotment (Lease Purchase)	$0	$0	$0
60.	Additional State Aid for Homestead Exemption (ASAHE) for Facilities	$167,547	$395,774	***$215,036***
61.	TOTAL FSP/ASF STATE AID	$3,223,703	$2,870,922	$4,436,999
Local Revenue in Excess of Entitlement				
62.	Local Revenue in Excess of Entitlement Detail Report	$0	$0	$0
Summary of Total State/Local M&O Revenue				
	Total M&O State Aid (excl. recapture netting)	$3,056,155	$2,475,148	$4,221,963
	Total M&O Tax Collections	$11,325,768	$14,909,249	$12,751,043
	Total Recapture	$0	$0	$0
	Net Total State/Local M&O Revenue	$14,381,923	$17,384,397	$16,973,006
	Total State/Local M&O Revenue per ADA	$12,472	$14,859	$14,600
	M&O State Share	*21.2%*	*14.2%*	*24.9%*
	M&O Local Share	*78.8%*	*85.8%*	*75.1%*

41C

Back to Source Documentation Links

2025 TAX STATEMENT

CH313 CREDIT

MONICA FOSTER
TAX ASSESSOR - COLLECTOR
115 W Main St #102
Edna, TX 77957 (361) 782-3473

Certified Owner:
FORMOSA PLASTICS CORP TEXAS
% BUSINESS DEVELOPMENT
PO BOX 700
POINT COMFORT, TX 77978-0700

Legal Description:
PLASTICS PLANTS HDPE/LLDPE/UTILITES ,
100%, FULL

Legal Acres: .0000
Parcel Address:

Account No: 13930000100003771
As of Date: 10/09/2025
Print Date: 10/09/2025

4aA

Market Value Land	Market Value Improvement	Appraised Value		Assessed Value	Non-Qualifying Value
$0	$647,475,000	$647,475,000		$647,475,000	$647,475,000

Taxing Unit	Assessed Value (100%)	Exemptions Code	Exemptions Amount	Taxable Value	Tax Rate	Tax
PALACIOS ISD *Chapter 313 Tax Credit $4,117,940.77*	$647,475,000		$0.00	$647,475,000	0.948600	$2,024,007.08

Total Tax: $2,024,007.08
Total Tax Paid to date: $0.00
Total Tax Remaining: $2,024,007.08

Exemptions:

AMOUNT DUE IF PAID BY:

OCT 31 0%	NOV 30 0%	DEC 31 0%	JAN 31 0%	FEB 28 7%	MAR 31 9%
$2,024,007.08	$2,024,007.08	$2,024,007.08	$2,024,007.08	$2,165,687.58	$2,206,167.72
APR 30 11%	**MAY 31 13%**	**JUN 30 15%**	**JUL 31 18 + 20%**	**AUG 31 19 + 20%**	**SEP 30 20 + 20%**
$2,246,647.86	$2,287,128.00	$2,327,608.14	$2,865,994.02	$2,890,282.12	$2,914,570.20

If you believe there is an error in the value or exemptions, you may contact the Appraisal District

PLEASE CUT AT THE DOTTED LINE AND RETURN THIS PORTION WITH YOUR PAYMENT. v55.1.5

Print Date: 10/09/2025

PLEASE NOTE YOUR ACCOUNT NUMBER ON YOUR CHECK AND MAKE CHECKS PAYABLE TO:
JACKSON COUNTY
TAX ASSESSOR - COLLECTOR
115 W. Main, Room 102
Edna, Texas 77957

* 1 3 9 3 0 0 0 0 1 0 0 0 0 3 7 7 1 *

13930000100003771
FORMOSA PLASTICS CORP TEXAS
% BUSINESS DEVELOPMENT
PO BOX 700
POINT COMFORT, TX 77978-0700

AMOUNT PAID:
$ ________ . ____

CAPITOL APPRAISAL GROUP, LLC

2025 Jurisdiction Summary
A120 - Jackson Central Appraisal District

PALACIOS ISD (SP) | Property Type: MINERAL & INDUSTRIAL

Values	Total	Count	Withheld/Protested	Count	Certifiable	Count
Real/Land						
Improvements	647,678,400	2			647,678,400	2
Personal	48,732,687	87			48,732,687	87
Mineral	2,168,219	66			2,168,219	66
Total Market	**698,579,306**	**155**			**698,579,306**	**155**
Circuit Breaker Loss	264,735	9		0	264,735	9
Limited Appraised	**698,314,571**	**9**		**0**	**698,314,571**	**9**

Exemptions	Total	Count	Withheld/Protested	Count	Certifiable	Count
Chapter 313 25B, 4aA, 4aB	617,475,000	1			617,475,000	1
Absolute	214,713	3			214,713	3
Foreign Trade						
Freeport						
Goods in Transit						
Historical						
Interstate Commerce						
Minimum Value	2,474	3			2,474	3
Miscelaneous						
Solar/Wind						
TCEQ						
Water System						
Childcare Facility						
Jobs/Energy/Technology						
Biomedical Facility						
Total Exemptions	**617,692,187**	**7**			**617,692,187**	**7**
M&O Taxable	**80,622,384**	**149**			**80,622,384**	**149**
I&S Taxable	**698,097,384**	**149**			**698,097,384**	**149**
New Improvements						
New Absolute	2,319	2			2,319	2

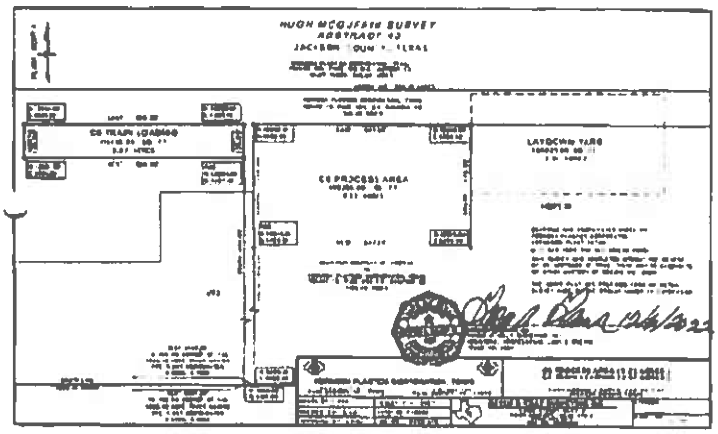
284 Items Considered, 0.00% Withheld

PTAD Use Code	Total	Taxable	Count	Certifiable	Taxable	Count
C1 Vacant Lots and Tracts						
G1 Oil and Gas	2,168,219	1,903,000	195	2,168,219	1,903,000	195
F1 Commercial Real Property						
F2 Industrial Real Property	647,678,400	30,203,400	2	647,678,400	30,203,400	2
L1 Commercial Personal Property						
L2 Industrial Personal Property	22,988,998	22,772,295	21	22,988,998	22,772,295	21
J1 Water Systems	24,754	24,754	2	24,754	24,754	2
J2 Gas Distribution Systems						
J3 Electric Companies/Co-ops	9,162,829	9,162,829	3	9,162,829	9,162,829	3
J4 Telephone Companies/Co-ops	76,195	76,195	1	76,195	76,195	1
J5 Railroads	458,853	458,853	1	458,853	458,853	1
J6 Pipelines	16,021,058	16,021,058	59	16,021,058	16,021,058	59
J7 Cable Companies						
J8 Other Utilities						
J9 Railroad Rolling Stock						
Other						
Total by Use Code	**698,579,306**	**80,622,384**	**284**	**698,579,306**	**80,622,384**	**284**

Table 1. Summary of Calculations Relating to Pasadena Performance Products, Property Value Limitation Agreement #1191 with Palacios Independent School District

2025–2026 School Year	
Project Taxable Value	$647,475,000.00
Value Limit	4aB $30,000,000.00
Taxable Value Savings	$617,475,000.00
M&O Tax Rate per $100	$0.6669
Gross Tax Savings	$4,117,940.78
Plus: Tax Credits	$-
Less: Indemnity Payment	$-
Article IV Tax Benefit	$4,117,940.78
Less: PILT / Supplemental Payment	$(135,084.50)
Net Benefit to Company	**$3,982,856.28**

Payments Due from Company	
Indemnity Payment Due	$-
PILT / Supplemental Payment Due	$135,084.50
Current Year and Prior Year(s) Carry Forward	$-
Total Due by January 31, 2026	**$135,084.50**



k. **The Eligible Project, including its boundaries, DOES NOT FALL entirely within a qualified opportunity zone, as defined by Section 403.602(15), Texas Government Code.**

If applicable, identification of qualified opportunity zone:

N/A

l. **Construction Period Beginning Date:**	January 1, 2025
m. **Construction Period Ending Date:**	December 31, 2026
n. **Incentive Period Beginning Date:**	January 1, 2027
o. **Incentive Period Ending Date:**	December 31, 2036

4bA, 4bB, 28bA, 28bB

p. Tax Liability Limitation:

The taxable value of the Eligible Property for District maintenance and operations ad valorem tax purposes:

(1) For each tax year beginning with the tax year following the Effective Date and ending December 31 of the tax year that includes the Construction Completion Date for the Eligible Project is:

ZERO

(2) For each tax year of the Incentive Period is:

50 PERCENT of the Market Value of the property for that tax year.

q. Bond Amount:

$321,123

r. Number of Required Jobs:

(1) **10** jobs by the end of the first tax year of the Incentive Period.

(2) Demonstrate an average of at least **10** jobs during each tax year until the Agreement expires.

s. Investment Requirements:

$20 million by the end of the first tax year of the Incentive Period.

t. Required Wage:

The Company's AAW must exceed 110 percent of the Sector Wage for the following sector Company specified in its application:

325110 – Petrochemical Manufacturing

The Required Wage, as determined by the Comptroller, for the life of this Agreement, is:

$149,693.40, on average, for Total Jobs

Back to Source Documentation Links

Outlook

RE: 2025 Supplement Information Jackson CAD

From Megan Bell <megan@jacksoncad.org>

Date Fri 2026-08-07 4:18 PM

To MoakCasey Truth-In-Taxation Services <tnt@moakcasey.com>

Kimberly,

7A, 7B, 8A, 8B

To my knowledge, we are not currently showing any litigations for Palacios ISD.

Thank you,

Megan Bell, RPA, CCA
Chief Appraiser
Jackson Central Appraisal District
Ph: (361) 782-7115
Fax: (361) 782-0369

Lawsuit Gain/Loss Report

For Year 2025

Entity	Name	Property ID	Geo ID	Active/ Inactive	Assessed Value	Final Value	Gain/Loss
23	CONSTELLATION SOUTH TEX	63544	9990-0065-0271390	Inactive	70,723,030	54,051,390	16,671,640
23	CONSTELLATION SOUTH TEX	80281	9990-0070-0271390	Inactive	117,385,620	89,714,130	27,671,490
23	CONSTELLATION SOUTH TEX	80431	9890-0008-0271390	Inactive	1,413,016,110	1,079,923,730	333,092,380
23 Totals:					**1,601,124,760**	**1,223,689,250**	**377,435,510**
2025 Totals:					**1,601,124,760**	**1,223,689,250**	**377,435,510**
Report Totals:					**1,601,124,760**	**1,223,689,250**	**377,435,510**

Lawsuit Report by Entity

8/7/2026 1:28:15PM

Page: 1

PALACIOS ISD

8A 8B

Owner	Prop ID	Geo ID	Year	Status	Cause #	Situs	Certified Value	Opinion Of Value
HOUSTON PIPELINE COMPANY LP	62748	9990-0006-0271650	2025	Active	25-M-0324		82,750	0
HOUSTON PIPELINE COMPANY LP	64201	9990-0520-0271650	2025	Active	25-M-0324		15,280	0
HOUSTON PIPELINE COMPANY LP	64205	9990-0535-0271650	2025	Active	25-M-0324		5,000	0
HOUSTON PIPELINE COMPANY LP	64208	9990-0550-0271650	2025	Active	25-M-0324		24,760	0
HOUSTON PIPELINE COMPANY LP	64210	9990-0560-0271650	2025	Active	25-M-0324		42,930	0

Matagorda County	2025 CERTIFIED TOTALS	As of Supplement 76
Property Count: 9,352	23 - PALACIOS ISD Effective Rate Assumption	7/15/2026 11:22:05AM

New Value

TOTAL NEW VALUE MARKET:	$7,862,040
TOTAL NEW VALUE TAXABLE:	$6,110,962

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	3	2024 Market Value	$512,540
EX-XN	11.252 Motor vehicles leased for personal use	1	2024 Market Value	$0
EX-XV	Other Exemptions (including public property, r	4	2024 Market Value	$377,170
EX366	HOUSE BILL 366	175	2024 Market Value	$55,560
	ABSOLUTE EXEMPTIONS VALUE LOSS		13A	$945,270

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	2	$60,000
DV1	Disabled Veterans 10% - 29%	1	$0
DV4	Disabled Veterans 70% - 100%	6	$33,250
DVHS	Disabled Veteran Homestead	6	$129,080
HS	HOMESTEAD	70	$9,747,870
OV65	OVER 65	50	13B $1,418,473
	PARTIAL EXEMPTIONS VALUE LOSS	135	$11,388,673
	NEW EXEMPTIONS VALUE LOSS		$12,333,943

Increased Exemptions

Exemption	Description	Count	Increased Exemption Amount
DP	DISABILITY	4	$170,914
HS	HOMESTEAD	743	$19,210,690
OV65	OVER 65	282	$12,182,230
OV65S	OVER 65 Surviving Spouse	10	$424,007
	INCREASED EXEMPTIONS VALUE LOSS	1,039	$31,987,841

TOTAL EXEMPTIONS VALUE LOSS $44,321,784

New Ag / Timber Exemptions

12, 14A, 14B, 30

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
1,374	$203,352	$161,395	$41,957

Category A Only

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
1,228	$192,938	$156,565	$36,373

Median Homestead Value

Category A and E

Count of HS Residences	Median Market	Median HS Exemption	Median Taxable
1,374	$181,920	$163,190	$18,730

Category A Only

Count of HS Residences	Median Market	Median HS Exemption	Median Taxable
1,228	$173,285	$159,555	$13,730

Effective Tax Rate Report

Tax Year: 2026 Taxing Unit: SPA

NEW EXEMPTIONS:

	COUNT	2026 ABSOLUTE EX VALUES	2026 PARTIAL EX VALUES
NEW EXEMPT PROPERTY	0	$0	
NEW HS EXEMPTIONS	29		$1,171,592
NEW PRO EXEMPTIONS	0		$0
NEW OA EXEMPTIONS	18		$136,426
NEW DP EXEMPTIONS	1		$0
NEW DV1 EXEMPTIONS	0		$0
NEW DV2 EXEMPTIONS	1		$0
NEW DV3 EXEMPTIONS	2		$10,000
NEW DV4 EXEMPTIONS	1		$12,000
NEW DVX EXEMPTIONS	1		$0
NEW HB366 EXEMPTIONS	0		$0
NEW PC EXEMPTIONS	0		$0
NEW FRSS EXEMPTIONS	0		$0
NEW HB9 EXEMPTIONS	83		$3,331,712

ABSOLUTE EX TOTAL		13A	$0
PARTIAL EX TOTAL	(+)		$4,661,730
2025 TAXABLE VALUE LOST DUE TO PROPERTY BECOMING EXEMPT IN 2026	(=)	13B	$4,661,730

NEW ANNEXED PROPERTY:

	COUNT	APPRAISED VALUE	TAXABLE VALUE
NEWLY ANNEXED PROPERTY	0	$0	$0
IMPROVEMENT SEGMENTS	0	$0	
LAND SEGMENTS	0	$0	
MINERAL	0	$0	
OTHER	0	$0	

TAXABLE VALUE ON NEWLY ANNEXED PROPERTY:	$0

NEW AG APPLICATIONS:

NEW AG APPLICATIONS COUNT	6

2025 MARKET		$438,156	
2026 USE	(-)	$20,550	
VALUE LOST DUE TO AG APPLICATIONS:	(=)	$417,606	($417,606 Taxable)

NEW IMPROVEMENTS:

	COUNT	TOTAL APPRAISED VALUE [1]	NEW CURRENT TAXABLE [2]
NEW IMPROVEMENTS	**51**	**$8,858,174**	**$3,608,071**
RESIDENTIAL	*50*	*$8,696,474*	*$3,597,881*

T A X   C O L L E C T I O N   S Y S T E M   PAGE: 1

JACKSON COUNTY
EFFECTIVE TAX RATES PRIOR YEAR REFUNDS

==

Program Name : etr prior yr refunds v1.11
Report Date : 07/01/2026 01:55 PM

Request Sequence No. : 5187783

PARAMETERS :
TCS CLIENT ID : 168000000
TAX UNIT : ALL
BEGIN DATE : 07/01/2025
END DATE : 06/30/2026

TAX UNIT	REFUND AMT	MO PORTION	IS PORTION	OT PORTION
100	-14,629.05	-14,629.05	0.00	0.00
101	-1,858.45	-1,858.45	0.00	0.00
102	-5,615.80	-5,615.80	0.00	0.00
103	-193.23	-193.23	0.00	0.00
200	-5,708.63	-3,473.94	-2,234.69	0.00
201	-122.85	-122.85	0.00	0.00
203	-141.58	-141.58	0.00	0.00
300	-29,718.31	-24,407.84	-5,310.47	0.00
301	-5,757.61	-3,905.37	-1,852.24	0.00
302	-8,140.42	-5,728.06	-2,412.36	0.00
303	-6,683.43	-5,314.31	-1,369.12	0.00
304	-9,862.85	-7,842.39	-2,020.46	0.00
401	-36.12	-36.12	0.00	0.00
402	-58.13	-58.13	0.00	0.00
403	-2,542.96	-2,275.95	-267.01	0.00
REPORT TOTALS	-91,069.42	-75,603.07	-15,466.35	0.00

COMMERCIAL	*1*	*$161,700*	*$10,190*
OTHER	*0*	*$0*	*$0*
NEW ADDITIONS	**24**	**$3,854,400**	**$565,990**
RESIDENTIAL	*20*	*$2,621,150*	*$368,440*
COMMERCIAL	*4*	*$1,233,250*	*$197,550*
OTHER	*0*	*$0*	*$0*
PERCENT COMPLETION CHANGED	0	$0	$0
TOTAL NEW PERSONAL VALUE	2	$48,954,800	$48,751,400
SECTION 52 & 59	0	$0	$0
REDUCED/EXPIRING ABATEMENTS	0	$0	$0

TOTALS:	$61,667,374	31 $52,925,461

2025 TOTAL TAXABLE (EXCLUDES UNDER PROTEST)	23A $877,892,084
2025 OA DP FROZEN TAXABLE	$5,981,595
2025 TAX RATE	0.9486
2025 OA DP TAX CEILING	$54,846

2026 CERTIFIED TAXABLE	$889,633,063
2026 TAXABLE UNDER PROTEST	24A $4,689,509
2026 OA FROZEN TAXABLE	$6,302,868
2026 DP FROZEN TAXABLE	$706,844
2026 TRANSFERRED OA FROZEN TAXABLE	$0
2026 TRANSFERRED DP FROZEN TAXABLE	$0
2026 OA FROZEN TAXABLE UNDER PROTEST	$297,160
2026 DP FROZEN TAXABLE UNDER PROTEST	$0
2026 TRANSFER OA WITH FROZEN TAXABLE UNDER PROTEST	$0
2026 TRANSFER DP WITH FROZEN TAXABLE UNDER PROTEST	$0
2026 APPRAISED VALUE	$969,705,314
2026 OA DP TAX CEILING	$23,311

1. Includes all land and other improvements of properties with new improvement values.
2. Includes only new improvement value.

Matagorda County

2025 CERTIFIED TOTALS

As of Supplement 76

23 - PALACIOS ISD

Property Count: 9,346

ARB Approved Totals

7/15/2026 11:21:59AM

Land		Value			
Homesite:		43,087,150			
Non Homesite:		264,549,999			
Ag Market:		452,773,504			
Timber Market:		30,000	**Total Land**	(+)	760,440,653
Improvement		**Value**			
Homesite:		240,297,840			
Non Homesite:		1,283,068,737	**Total Improvements**	(+)	1,523,366,577
Non Real	**Count**	**Value**			
Personal Property:	457	209,380,180			
Mineral Property:	853	62,136,720			
Autos:	0	0	**Total Non Real**	(+)	271,516,900
			Market Value	=	2,555,324,130
Ag	**Non Exempt**	**Exempt**			
Total Productivity Market:	452,803,504	0			
Ag Use:	15,906,832	0	**Productivity Loss**	(-)	436,896,042
Timber Use:	630	0	**Appraised Value**	=	2,118,428,088
Productivity Loss:	436,896,042	0			
			Homestead Cap	(-)	38,001,618
			23.231 Cap	(-)	20,171,043
			Assessed Value	=	2,060,255,427
			Total Exemptions Amount (Breakdown on Next Page)	(-)	385,240,351
			Net Taxable	=	1,675,015,076

23A

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
DP	3,398,865	48,918	0.00	1,391.26	29
OV65	109,104,667	9,603,558	29,751.56	58,508.12	644
Total	112,503,532	9,652,476	29,751.56	59,899.38	673
Tax Rate	0.9486000				

Freeze Taxable (-) 9,652,476

Freeze Adjusted Taxable = 1,665,362,600

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
15,827,381.18 = 1,665,362,600 * (0.9486000 / 100) + 29,751.56

Certified Estimate of Market Value:	2,555,324,130
Certified Estimate of Taxable Value:	1,675,015,076
Tax Increment Finance Value:	0
Tax Increment Finance Levy:	0.00

Matagorda County | **2026 CERTIFIED TOTALS** | As of Certification

23 - PALACIOS ISD

Property Count: 98 | Under ARB Review Totals | 7/15/2026 11:23:25AM

Land		Value			
Homesite:		392,130			
Non Homesite:		1,680,240			
Ag Market:		4,644,160			
Timber Market:		0	**Total Land**	(+)	6,716,530
Improvement		**Value**			
Homesite:		3,082,920			
Non Homesite:		5,630,011	**Total Improvements**	(+)	8,712,931
Non Real	**Count**	**Value**			
Personal Property:	1	2,300			
Mineral Property:	0	0			
Autos:	0	0	**Total Non Real**	(+)	2,300
			Market Value	=	15,431,761
Ag	**Non Exempt**	**Exempt**			
Total Productivity Market:	4,644,160	0			
Ag Use:	229,901	0	**Productivity Loss**	(-)	4,414,259
Timber Use:	0	0	**Appraised Value**	=	11,017,502
Productivity Loss:	4,414,259	0			
			Homestead Cap	(-)	307,066
			23.231 Cap	(-)	254,128
			Assessed Value	=	10,456,308
			Total Exemptions Amount (Breakdown on Next Page)	(-)	1,881,579
			Net Taxable	24A	8,574,729

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
OV65	1,004,496	400,662	1,102.99	1,102.99	2			
Total	1,004,496	400,662	1,102.99	1,102.99	2	**Freeze Taxable**	(-)	400,662
Tax Rate	0.9486000							

Freeze Adjusted Taxable = 8,174,067

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
78,642.19 = 8,174,067 * (0.9486000 / 100) + 1,102.99

Certified Estimate of Market Value:	12,879,662
Certified Estimate of Taxable Value:	7,252,399
Tax Increment Finance Value:	0
Tax Increment Finance Levy:	0.00

JACKSON CENTRAL APPRAISAL DISTRICT
404 NORTH ALLEN ST.
EDNA, TEXAS 77957

CERTIFICATION OF 2026 APPRAISAL ROLL FOR PALACIOS SCHOOL DISTRICT

24B

"I, Megan Bell, Chief Appraiser for the Jackson Central Appraisal District, solemnly swear that the attached is that portion of the approved appraisal roll of the Jackson Central Appraisal District which lists property taxable by the **Palacios School District** within Jackson County and constitutes the appraisal rolls for **Palacios School District**."

2026 Certified Appraisal Roll Information (ARB Approved Totals)

Total market value	**$ 1,136,418,173**
Total appraised value	**$ 972,290,894**
Total assessed value	**$ 963,413,747**
Total taxable value	**$ 889,633,063**
Freeze adjusted taxable	**$ 882,623,351**
Number of accounts	**4,023**

2026 Uncertified Appraisal Roll Information (Under ARB Review Totals)

Total market value	**$ 13,490,859**
Total appraised value	**$ 6,323,699**
Total assessed value	**$ 6,291,567**
Total taxable value	**$ 4,689,509**
Freeze adjusted taxable	**$ 4,392,349**
Number of accounts	**99**

Megan Bell

Megan Bell, Chief Appraiser

07/24/2026
Date

*M&O Taxable Value $260,071,151
*I&S Value $882,623,351

PHONE 361-782-7115
FAX 361-782-0369

Matagorda County

2026 CERTIFIED TOTALS

As of Certification

23 - PALACIOS ISD

Property Count: 8,982

ARB Approved Totals

7/15/2026 11:23:25AM

Land	Value			
Homesite:	51,232,330			
Non Homesite:	301,626,685			
Ag Market:	494,443,164			
Timber Market:	62,000	**Total Land**	(+)	847,364,179

Improvement	Value			
Homesite:	244,416,746			
Non Homesite:	1,463,613,954	**Total Improvements**	(+)	1,708,030,700

Non Real	Count	Value			
Personal Property:	448	248,857,917			
Mineral Property:	592	1,839,548,670			
Autos:	0	0	**Total Non Real**	(+)	2,088,406,587
			Market Value	=	4,643,801,466

Ag	Non Exempt	Exempt			
Total Productivity Market:	494,505,164	0			
Ag Use:	17,496,014	0	**Productivity Loss**	(-)	477,008,480
Timber Use:	670	0	**Appraised Value**	=	4,166,792,986
Productivity Loss:	477,008,480	0			

Homestead Cap	(-)	38,908,088
23.231 Cap	(-)	38,178,208
Assessed Value	=	4,089,706,690
Total Exemptions Amount (Breakdown on Next Page)	(-)	2,201,036,725
Net Taxable	=	1,888,669,965

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
DP	2,770,894	0	0.00	960.41	24			
OV65	114,259,575	11,684,448	29,367.86	53,724.40	626			
Total	117,030,469	11,684,448	29,367.86	54,684.81	650	**Freeze Taxable**	(-)	11,684,448
Tax Rate	0.9486000							

25A

Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count			
OV65	1,080,520	280,480	0	280,480	4			
Total	1,080,520	280,480	0	280,480	4	**Transfer Adjustment**	(-)	280,480

Freeze Adjusted Taxable = 1,876,705,037

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
17,831,791.84 = 1,876,705,037 * (0.9486000 / 100) + 29,367.86

Certified Estimate of Market Value:	4,643,801,466
Certified Estimate of Taxable Value:	1,888,669,965

Tax Increment Finance Value:	0
Tax Increment Finance Levy:	0.00

CAPITOL APPRAISAL GROUP, LLC

2026 Jurisdiction Summary

A120 - Jackson Central Appraisal District

PALACIOS ISD (SP)

Property Type: MINERAL & INDUSTRIAL

Values	Total	Count	Withheld/Protested	Count	Certifiable	Count
Real/Land						
Improvements	652,757,000	3			652,757,000	3
Personal	54,981,225	86			54,981,225	86
Mineral	1,688,789	55			1,688,789	55
Total Market	**709,427,014**	**144**			**709,427,014**	**144**
Circuit Breaker Loss	345,582	8		0	345,582	8
Limited Appraised	**709,081,432**	**8**		**0**	**709,081,432**	**8**

Exemptions		Total	Count		Withheld/Protested	Count	Certifiable	Count
Chapter 313	25B	573,802,200	1				573,802,200	1
Absolute		217,521	3				217,521	3
Foreign Trade								
Freeport								
Goods in Transit								
Historical								
Interstate Commerce								
Minimum Value		762	3				762	3
Miscelaneous								
Solar/Wind								
TCEQ								
Water System								
Childcare Facility								
Jobs/Energy/Technology		48,750,000	1	28bA, 28bB			48,750,000	1
Biomedical Facility								
HB9 Qualified		3,646,515	83				3,646,515	83
Total Exemptions		**626,416,998**	**91**				**626,416,998**	**91**

	Total	Count	Withheld/Protested	Count	Certifiable	Count
M&O Taxable	**82,664,434**	**126**			**82,664,434**	**126**
I&S Taxable	**705,216,634**	**126**			**705,216,634**	**126**
New Improvements						
New Absolute	438	1			438	1

147 Items Considered, 0.00% Withheld

PTAD Use Code	Total	Taxable	Count	Certifiable	Taxable	Count
C1 Vacant Lots and Tracts						
G1 Oil and Gas	1,688,789	1,342,445	58	1,688,789	1,342,445	58
F1 Commercial Real Property						
F2 Industrial Real Property	652,757,000	30,204,800	3	652,757,000	30,204,800	3
L1 Commercial Personal Property						
L2 Industrial Personal Property	27,991,909	26,557,224	22	27,991,909	26,557,224	22
J1 Water Systems	24,871	0	2	24,871	0	2
J2 Gas Distribution Systems						
J3 Electric Companies/Co-ops	9,029,195	8,654,195	3	9,029,195	8,654,195	3
J4 Telephone Companies/Co-ops	70,140	0	1	70,140	0	1
J5 Railroads	550,594	425,594	1	550,594	425,594	1
J6 Pipelines	17,314,516	15,480,176	57	17,314,516	15,480,176	57
J7 Cable Companies						
J8 Other Utilities						
J9 Railroad Rolling Stock						
Other						
Total by Use Code	**709,427,014**	**82,664,434**	**147**	**709,427,014**	**82,664,434**	**147**

Capitol Appraisal Group Report - 2026

	Property Count	Total Taxable Value
M&O Taxable	126	$ 82,664,434
I&S Taxable	126	$ 705,216,634
Loss to 313-JETI		*$ 622,552,200*

28aA, 28aB, 28bB, 28bA

Exemption	Count	Exemption Amount	Total Taxable - I&S	Total Taxable - M&O	Agreement
313	1	$ 573,802,200	$ 603,802,200	$ 30,000,000	Limit $30 million
JETI	1	$ 48,750,000	$ 48,750,000	$ -	0% during construction; 50% during limitation
Combined	2	$ 622,552,200	$ 652,552,200	$ 30,000,000	
Loss to 313-JETI				*$ 622,552,200*	

Chief Appraiser 2026 Certified Values cover letter

Certified, freeze-adjusted, Taxable value

M&O	$ 260,071,151
I&S	$ 882,623,351
Loss to 313-JETI	*$ 622,552,200*

Certified Taxable value (including frozen values)

M&O	$ 267,080,863
I&S	$ 889,633,063
Loss to 313-JETI	*$ 622,552,200*

Capitol Appraisal Group Report - 2025

	Property Count	Total Taxable Value	
M&O Taxable	149	$ 80,622,384	
I&S Taxable	149	$ 698,097,384	
Loss to 313 (no JETI)		*$ 617,475,000*	*matches value of 313 exemption (count:1)*

CAPITOL APPRAISAL GROUP, LLC

2026 Jurisdiction Summary
A120 - Jackson Central Appraisal District

PALACIOS ISD (SP) | Property Type: MINERAL & INDUSTRIAL

Values	Total	Count	Withheld/Protested	Count	Certifiable	Count
Real/Land						
Improvements	652,757,000	3			652,757,000	3
Personal	54,981,225	86			54,981,225	86
Mineral	1,688,789	55			1,688,789	55
Total Market	**709,427,014**	**144**			**709,427,014**	**144**
Circuit Breaker Loss	345,582	8		0	345,582	8
Limited Appraised	**709,081,432**	**8**		**0**	**709,081,432**	**8**

Exemptions	Total	Count	Withheld/Protested	Count	Certifiable	Count
Chapter 313	573,802,200	1	28aA, 28aB		573,802,200	1
Absolute	217,521	3			217,521	3
Foreign Trade						
Freeport						
Goods in Transit						
Historical						
Interstate Commerce						
Minimum Value	762	3			762	3
Miscelaneous						
Solar/Wind						
TCEQ						
Water System						
Childcare Facility						
Jobs/Energy/Technology	48,750,000	1	28bA, 28bB		48,750,000	1
Biomedical Facility						
HB9 Qualified	3,646,515	83			3,646,515	83
Total Exemptions	**626,416,998**	**91**			**626,416,998**	**91**
M&O Taxable	**82,664,434**	**126**			**82,664,434**	**126**
I&S Taxable	**705,216,634**	**126**			**705,216,634**	**126**
New Improvements						
New Absolute	438	1			438	1

147 Items Considered, 0.00% Withheld

PTAD Use Code	Total	Taxable	Count	Certifiable	Taxable	Count
C1 Vacant Lots and Tracts						
G1 Oil and Gas	1,688,789	1,342,445	58	1,688,789	1,342,445	58
F1 Commercial Real Property						
F2 Industrial Real Property	652,757,000	30,204,800	3	652,757,000	30,204,800	3
L1 Commercial Personal Property						
L2 Industrial Personal Property	27,991,909	26,557,224	22	27,991,909	26,557,224	22
J1 Water Systems	24,871	0	2	24,871	0	2
J2 Gas Distribution Systems						
J3 Electric Companies/Co-ops	9,029,195	8,654,195	3	9,029,195	8,654,195	3
J4 Telephone Companies/Co-ops	70,140	0	1	70,140	0	1
J5 Railroads	550,594	425,594	1	550,594	425,594	1
J6 Pipelines	17,314,516	15,480,176	57	17,314,516	15,480,176	57
J7 Cable Companies						
J8 Other Utilities						
J9 Railroad Rolling Stock						
Other						
Total by Use Code	**709,427,014**	**82,664,434**	**147**	**709,427,014**	**82,664,434**	**147**

Matagorda County	2026 CERTIFIED TOTALS	As of Certification
Property Count: 9,080	23 - PALACIOS ISD Effective Rate Assumption	7/15/2026 11:23:39AM

New Value

TOTAL NEW VALUE MARKET:	$5,756,470
TOTAL NEW VALUE TAXABLE:	$5,128,922

31

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	2	2025 Market Value	$3,327,080
EX366	HOUSE BILL 366	53	2025 Market Value	$18,290
	ABSOLUTE EXEMPTIONS VALUE LOSS			$3,345,370

Exemption	Description	Count	Exemption Amount
145B	11.145 (b) Single Situs, Single Owner	307	$9,366,967
145D	11.145 (d) Multiple Situs, Leases	36	$534,030
145D1	11.145 (d-1) Multiple Situs, Consignment	3	$7,260
145F	11.145 (f) Single Situs, Related Business Entity	2	$125,000
DV1	Disabled Veterans 10% - 29%	1	$12,000
DV4	Disabled Veterans 70% - 100%	2	$24,000
DVHS	Disabled Veteran Homestead	2	$531,294
HS	HOMESTEAD	33	$4,467,364
OV65	OVER 65	38	$890,012
	PARTIAL EXEMPTIONS VALUE LOSS	424	$15,957,927
		NEW EXEMPTIONS VALUE LOSS	$19,303,297

Increased Exemptions

Exemption	Description	Count	Increased Exemption Amount

INCREASED EXEMPTIONS VALUE LOSS

TOTAL EXEMPTIONS VALUE LOSS	$19,303,297

New Ag / Timber Exemptions

2025 Market Value	$23,350	Count: 2
2026 Ag/Timber Use	$960	
NEW AG / TIMBER VALUE LOSS	**$22,390**	

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
1,345	$219,183	$170,216	$48,967

Category A Only

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
1,198	$206,398	$163,898	$42,500

Texas Education Agency

Tax Year 2026 (School Year 2026-2027)

Preliminary Maximum Compressed Tax Rate (MCR)

August 5, 2026

District Number	District Name	Tax Year 2026 MCR
061911	NORTHWEST ISD	**0.5628**
069902	NUECES CANYON CISD	**0.5826**
235904	NURSERY ISD	**0.6213**
145907	OAKWOOD ISD	**0.6011**
205905	ODEM-EDROY ISD	**0.5797**
153903	O'DONNELL ISD	**0.6254**
050904	OGLESBY ISD	**0.6169**
200906	OLFEN ISD	**0.6192**
252903	OLNEY ISD	**0.6171**
140905	OLTON ISD	**0.6254**
187910	ONALASKA ISD	**0.6078**
125903	ORANGE GROVE ISD	**0.5689**
181905	ORANGEFIELD ISD	**0.5685**
230903	ORE CITY ISD	**0.6254**
201908	OVERTON ISD	**0.6169**
051901	PADUCAH ISD	**0.6254**
104907	PAINT CREEK ISD	**0.5628**
048903	PAINT ROCK ISD	**0.5689**
158905	PALACIOS ISD	**0.5628**
001907	PALESTINE ISD	**0.6085**
070910	PALMER ISD	**0.5730**
182906	PALO PINTO ISD	**0.5688**
090904	PAMPA ISD	**0.6254**
033902	PANHANDLE ISD	**0.6254**
042905	PANTHER CREEK CISD	**0.5628**
249906	PARADISE ISD	**0.6192**
139909	PARIS ISD	**0.6064**
101917	PASADENA ISD	**0.6254**
063906	PATTON SPRINGS ISD	**0.5628**
013902	PAWNEE ISD	**0.5689**
020908	PEARLAND ISD	**0.6169**
082903	PEARSALL ISD	**0.6169**
184908	PEASTER ISD	**0.6020**
195901	PECOS-BARSTOW-TOYAH ISD	**0.6212**
109914	PENELOPE ISD	**0.5689**
119903	PERRIN-WHITT CISD	**0.5879**
179901	PERRYTON ISD	**0.6254**
095904	PETERSBURG ISD	**0.6254**
039903	PETROLIA CISD	**0.6132**
013903	PETTUS ISD	**0.6254**
172905	PEWITT CISD	**0.6254**
227904	PFLUGERVILLE ISD	**0.6169**

JACKSON COUNTY

COURTHOUSE
115 W MAIN, ROOM 102
EDNA, TX 77957

Monica H. Foster
Tax Assessor-Collector

361-782-3473
FAX: 361-782-3645
M.FOSTER@CO.JACKSON.TX.US

July 10, 2026

Debt Certification &

Percentage of Collection Certification

Required by Truth-in-Taxation Procedures

Truth-in-Taxation procedures require the collector for______Palacios Independent School District_______ to certify excess debt tax collections each year. As the Jackson County tax collector, I hereby certify the excess debt collections from the 2025 property taxes for Jackson County Residents in PISD is ______($257,435.39)_____________________, as the estimated debt collection rate of _____100%________ was used in the 2025 voter-approval rate calculations by Matagorda County Tax Assessor-Collector for the total debt collections within all appraisal districts the school encompasses.

I hereby certify ______98%_________ as the 2026-estimated debt collection rate for Jackson County portion of collections to be used in the 2026 voter-approval rate calculations so long as it is not lower than each of the three prior years collection rates. Should it be lower than all three prior years; the lowest rate of the three prior years will have to be used in the calculations per Texas Property Tax Code.

Sincerely,

Monica H. Foster, PCC

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
43.	**Adjusted current year debt.** Subtract line 42 from line 41D.	$ 6,067,227
44.	**Current year anticipated collection rate.** If the anticipated rate in A is lower than actual rates in B, C and D, enter the lowest rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. [36] A. Enter the current year anticipated collection rate certified by the collector.[37] .... 100.00 % B. Enter the prior year actual collection rates. .... 100.00 % C. Enter the 2023 actual collection rate .... 100.00 % D. Enter the 2022 actual collection rate. .... 100.00 % 44C, 44D	100.00 %
45.	**Current year debt adjusted for collections.** Divide Line 43 by Line 44.	$ 6,067,227
46.	**Current year total taxable value.** Enter the amount on Line 27 of the *No-New-Revenue Tax Rate Worksheet.*	$ 2,928,111,738
47.	**Current year debt rate.** Divide Line 45 by Line 46 and multiply by $100.	$ 0.207206 /$100
48.	**Current year voter-approval tax rate.** Add Lines 40 and 47. If the school district received distributions from an equalization tax imposed under former Chapter 18, Education Code, add the NNR tax rate as of the date of the county unit system's abolition to the sum of Lines 40 and 47.[38]	$ 0.874108 /$100

SECTION 3: Voter-Approval Rate Adjustment for Pollution Control

A school district may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The school district's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The school district must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a school district that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
49.	**Certified expenses from the Texas Commission on Environmental Quality (TCEQ).** Enter the amount certified in the determination letter from TCEQ.[39] The school district shall provide its tax assessor with a copy of the letter.[40]	$ 0
50.	**Current year total taxable value.** Enter the amount on Line 27 of the *No-New-Revenue Tax Rate Worksheet.*	$ 2,928,111,738
51.	**Additional rate for pollution control.** Divide line 49 by line 50 and multiply by $100.	$ 0.000000 /$100
52.	**Current year voter-approval tax rate, adjusted for pollution control.** Add line 51 and line 48.	$ 0.874108 /$100

54

SECTION 4: Voter-Approval Tax Rate Adjustment in Year Following Disaster

If a school district adopted a tax rate that exceeded its voter-approval tax rate without holding an election to respond to a disaster in the prior year, as allowed by Tax Code Section 26.042(e), the school district may not consider the amount by which it exceeded its voter-approval tax rate in the calculation this year.[41] As such, it must reduce its voter-approval tax rate for the current tax year.

This section applies to a school district in a disaster area that adopts a tax rate greater than its voter-approval tax rate without holding an election in the prior year, as provided for by Tax Code Section 26.042(e).

Line	Prior Year Disaster Adjustment Worksheet	Amount/Rate
53.	**Prior year adopted tax rate.** Add Line 6A and Line 6B of the *No-New-Revenue Tax Rate Worksheet.*	$ 0.948600 /$100
54.	**Prior year voter-approval tax rate.** If the school district adopted a tax rate above the prior year voter-approval tax rate without holding an election due to a disaster, enter the voter-approval tax rate from the prior year's worksheet.	$ 0.000000 /$100

[36] Tex. Tax Code §26.012(10) and 26.04(b)
[37] Tex. Tax Code §26.04(h), (h-1) and (h-2)
[38] Tex. Tax Code §26.04(b)
[39] Tex. Tax Code §26.08(g)
[40] Tex. Tax Code §26.045(d)
[41] Tex. Tax Code §26.045(i)

New Requirement from SB 1453 (2025)

Motion Language to Approve a Proposed Interest & Sinking Rate for Debt Service that Exceeds the Minimum Amount Required

Pursuant to Texas Tax Code §26.05(a-1), the Board of Trustees must first approve the proposed interest and sinking (I&S) tax rate used to pay debt service that exceeds the minimum debt service tax rate prior to adopting the tax rate. The following motion must be read aloud and must receive a 60 percent approval from the members of the board.

*I move that Palacios Independent School District approve the proposal of an interest and sinking (I&S) rate to pay debt service that exceeds the minimum debt service tax rate as defined by the Texas Tax Code and the Texas Education Code. The Board finds that the District's minimum debt service tax rate is **$0.2527** per $100 valuation, and that the proposed interest and sinking tax rate of **$0.28170** used to pay debt service exceeds the minimum debt service tax rate by **$0.0290** per $100 valuation. Additional revenue generated by the proposed rate will be used for lawful debt service purposes, including:*

Reduction of future interest cost to District taxpayers

Early defeasance or retirement of outstanding bonded indebtedness

---

Example uses of excess revenues for motion language

- early defeasance or retirement of outstanding bonded indebtedness;
- establishment or maintenance of prudent debt service reserves;
- reduction of future interest costs to District taxpayers;
- mitigation of future tax rate volatility;
- payment of scheduled or anticipated debt obligations.

RESOLUTION OF THE BOARD OF TRUSTEES OF THE PALACIOS INDEPENDENT SCHOOL DISTRICT

On this date, we, the Board of Trustees of the Palacios Independent School District hereby levy or set the tax rate on $100 valuation for the District for the tax year 2026 at a total tax rate of **$0.89450/$100**, to be assessed and collected by the duly specified assessor and collector as follows:

$0.61280/$100	for the purpose of maintenance and operations, and
$0.28170/$100	for the purpose of payment of principal and interest on debts.

Such taxes are to be assessed and collected by the tax officials designated by the District.

PASSED AND ADOPTED this *31* day of *August*, 2026 by the Board of Trustees for the Palacios Independent School District.

Board President:

Signature

Haley Garcia, President

Printed Name / Title

Board Secretary:

Signature

Dane Kubecka, Secretary

Printed Name / Title

PALACIOS ISD **Steps Required Worksheet** Tax Year 2026

This worksheet shows the 22-line calculation used to determine the required steps for tax rate adoption under Texas Tax Code Chapter 26.

LINES 1–6: RATE COMPARISONS

#	Description	Value
1	No-New-Revenue Total Rate	$1.1729/$100
2	Proposed Total Rate	$0.8945/$100
	M&O Rate	$0.6128/$100
	I&S Rate	$0.2817/$100
3	Proposed Rate minus NNR (2) – (1)	$-0.2784/$100
4	% Proposed Rate Above NNR (Motion Language)	-23.74%
5	Rate to Maintain M&O + I&S	$0.9032/$100
6	Proposed Rate minus Rate to Maintain (Supermajority Requirement)	$-0.0087/$100

LINES 7–14: M&O LEVY CALCULATIONS

#	Description	Value
7	Prior Year Taxable Value (50-859 Ln 8 / 50-884 Ln 10)	$2,300,764,903.00
8	Last Year M&O Rate (per $100)	$0.6669/$100
9	Prior Year M&O Refunds (50-859 Ln 15 / 50-884 Ln 20A)	$5,728.00
10	Last Year M&O Levy [(7) × (8) / 100 – (9)]	$15,338,073.14
11	Current Year Taxable Value (50-859 Ln 21 / 50-884 Ln 29)	$1,875,894,558.00
12	Proposed M&O Rate (per $100)	$0.6128/$100
13	Estimated M&O Levy This Year [(11) × (12) / 100]	$11,495,481.85
14	M&O Levy Increase (Decrease) [(13) – (10)] (Resolution Language)	$-3,842,591.29

LINES 15–17: M&O RATE VS. RATE TO MAINTAIN

#	Description	Value
15	Rate to Maintain M&O (Resolution Wording / Posting Language) *M&O NNR = M&O rate to maintain per Texas Tax Code §26.012(18)(B)*	$0.6505/$100
16	Proposed M&O minus Rate to Maintain [(12) – (15)]	$-0.0377/$100
17	% Proposed M&O Above Rate to Maintain (Resolution Language)	-5.80%

LINES 18–22: IMPACT ON AVERAGE HOMESTEAD

#	Description	Value
18	Taxable Value on a $100,000 Home	$100,000.00
19	M&O Levy at Last Year's Rate [(18) × (8) / 100]	$666.90
20	M&O Levy at Proposed Rate [(18) × (12) / 100]	$612.80
21	Change in M&O Levy on Avg. Homestead [(20) – (19)] (Resolution Language)	$-54.10
22	% Change in M&O Levy on Avg. Homestead	-8.11%

ADOPTION REQUIREMENT RESULTS

Result	Applies?
M&O levy this year > last year (Line 14 > 0) — Statement 1 required	**NO**
M&O levy increase (Line 14 > 0) AND proposed M&O rate > Rate to Maintain (Line 16 > 0) — Statement 2 required	**NO**
Proposed total > Rate to Maintain (Line 6 > 0) — Supermajority required	**NO**

RESOLUTION OF THE BOARD OF TRUSTEES OF THE PALACIOS INDEPENDENT SCHOOL DISTRICT

On this date, we, the Board of Trustees of the Palacios Independent School District hereby levy or set the tax rate on $100 valuation for the District for the tax year 2026 at a total tax rate of **$0.89450/$100**, to be assessed and collected by the duly specified assessor and collector as follows:

$0.61280/$100	for the purpose of maintenance and operations, and
$0.28170/$100	for the purpose of payment of principal and interest on debts.

Such taxes are to be assessed and collected by the tax officials designated by the District.

PASSED AND ADOPTED this *31* day of *August*, 2026 by the Board of Trustees for the Palacios Independent School District.

Board President:	Board Secretary:
Signature	Signature
Haley Garcia, President	Dane Kubecka, Secretary
Printed Name / Title	Printed Name / Title

PALACIOS ISD **Steps Required Worksheet** Tax Year 2026

This worksheet shows the 22-line calculation used to determine the required steps for tax rate adoption under Texas Tax Code Chapter 26.

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ADOPTION REQUIREMENT RESULTS

Result	Applies?
M&O levy this year > last year (Line 14 > 0) — Statement 1 required	**NO**
M&O levy increase (Line 14 > 0) AND proposed M&O rate > Rate to Maintain (Line 16 > 0) — Statement 2 required	**NO**
Proposed total > Rate to Maintain (Line 6 > 0) — Supermajority required	**NO**

A RESOLUTION BY THE BOARD OF TRUSTEES OF THE PALACIOS INDEPENDENT SCHOOL DISTRICT PROVIDING FOR THE DEFEASANCE AND CALLING FOR REDEMPTION CERTAIN CURRENTLY OUTSTANDING OBLIGATIONS; DIRECTING THE BOARD SECRETARY, OR A DESIGNEE THEREOF, TO EFFECTUATE THE REDEMPTION OF THESE OBLIGATIONS; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DELEGATING TO CERTAIN DISTRICT OFFICIALS AND STAFF THE AUTHORITY TO EFFECTUATE MATTERS HEREIN RESOLVED; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Board previously adopted various orders (collectively, the *Original Order*) authorizing the issuance of the District's currently outstanding unlimited tax obligations (collectively, the *Obligations*), certain of which are subject to redemption at the District's option prior to their stated maturity; and

WHEREAS, the Original Order provides the notice requirements to effectuate the redemption of the Obligations that are subject to redemption prior to their applicable stated maturity; and

WHEREAS, it is in the best interest of the District and its residents to defease certain of the Obligations (the *Defeased Obligations*) to their first optional redemption date, extinguishing the District's payment obligations with respect thereto at the time of defeasance, and calling the Defeased Obligations on their first optional redemption date, all as herein provided; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE PALACIOS INDEPENDENT SCHOOL DISTRICT THAT:

SECTION 1. The Board hereby authorizes an Authorized Official (defined herein) to use District funds realized from prior interest and sinking fund tax collections or any other lawfully available source (the *Defeasance Proceeds*), in an amount necessary and sufficient to defease, to their date of early redemption, the Defeased Obligations, which shall be determined by an Authorized Official and set forth in Exhibit A hereto. An Authorized Official shall accomplish the defeasance of the Defeased Obligations by establishing and funding with Defeasance Proceeds prior to the end of the District's 2026-2027 fiscal year the hereinafter-defined Escrow Fund pursuant to the provisions of Section 3 hereof. An Authorized Official shall identify the maximum principal amount of Defeased Obligations that can be defeased after taking into consideration District funds from the sources identified above, interest earnings on Escrow Fund deposits, and final costs related to establishment of the Escrow Fund, with the goal of maximizing the principal amount of the Defeased Obligations. District officials currently estimate that the aggregate principal amount of Defeased Obligations will equal at least $900,000 and up to $1,000,000 (and possibly more), and such amount will be known to the District after February 1, 2027, when current taxes become delinquent and the tax collections available for defeasance are ascertained.

SECTION 2. The District hereby calls for redemption on their first date of optional redemption, the Defeased Obligations. The form of the Notice of Redemption for the Defeased Obligations is attached as Exhibit B hereto and incorporated by reference for all purposes.

SECTION 3. The Escrow and Trust Agreement, dated as of August 31, 2026 (the *Agreement*), by and between the District and the Escrow Agent and relating to the Defeased Obligations and attached hereto as Exhibit C and incorporated herein by reference as a part of this Resolution for all purposes, is hereby approved as to form and content, and such Agreement, together with such changes or revisions as may be necessary to accomplish the defeasance of the Defeased Obligations or benefit the District, is hereby authorized to be executed by an Authorized Official, for and on behalf of the District and as the act and deed of this Board; and such Agreement as executed by said Authorized Official shall be deemed approved by the Board and constitute the Agreement herein approved.

Furthermore, each Authorized Official, the District's Financial Advisor (Specialized Public Finance Inc.), and the District's Bond Counsel (McCall, Parkhurst & Horton L.L.P.), in cooperation with the Escrow Agent, are hereby authorized and directed to make the necessary arrangements for the deposit of cash and/or the purchase of any securities referenced in the Agreement and the delivery thereof to the Escrow Agent upon delivery to the Escrow Agent of the Defeasance Proceeds for deposit to the credit of the "PALACIOS INDEPENDENT SCHOOL DISTRICT DEFEASANCE ESCROW FUND" (the *Escrow Fund*), as may be modified in name to reference the appropriate Defeasance Obligations, and may include the execution of the subscription forms, if any, for the purchase and issuance of the "United States Treasury Securities - State and Local Government Series" for deposit to the Escrow Fund; all as contemplated and provided by the provisions of Chapter 1207, as amended, Texas Government Code, this Resolution, and the Agreement.

SECTION 4. The President and Secretary of the Board are authorized and instructed to give notice of redemption described herein to the paying agent/registrar for the Defeased Obligations for further delivery thereby to the holders of such Defeased Obligations, as provided in the Original Order.

SECTION 5. The Board hereby delegates to an Authorized Official the ability to select a qualified verification agent (the *Verification Agent*) to verify the sufficiency of the deposit to the Escrow Fund to accomplish the defeasance of the Defeased Obligations, to the extent such appointment is necessary or desired.

SECTION 6. Each Authorized Official is authorized to evidence adoption of this Resolution and to do any and all things necessary or convenient to effect the redemption of the Defeased Obligations herein described and otherwise give effect to the intent and purpose hereof.

SECTION 7. The Board hereby directs that Defeasance Proceeds shall include amounts sufficient to pay professional fees and expenses of the District's Bond Counsel, the District's Financial Advisor, the Escrow Agent, the Verification Agent, the paying agent/registrar for the Defeased Obligations, respectively, and any other party whose services have been determined by the District to be necessary to accomplish the purpose and intent of this Resolution. Use of Defeasance Proceeds to pay these expenses is hereby approved.

SECTION 8. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 9. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 10. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 11. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 12. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 13. Though such parties may be identified, and the entry into a particular form of contract may be authorized, herein the Board hereby delegates to the Board President, Board Vice President, Board Secretary, Superintendent of Schools, and the District's Director of Finance (each of the foregoing, an *Authorized Official*) the authority to independently select the counterparty to any agreement with the Escrow Agent, Verification Agent or any other contract that is determined by an Authorized Official, the District's Financial Advisor, or Bond Counsel to be necessary or incidental to carry out the provisions of this Resolution, as long as each of such contracts has a value of less than the amount referenced in Section 2252.908 of the Texas Government Code, as amended (collectively, the *Ancillary Bond Contracts*); and, as necessary, to execute the Ancillary Bond Contracts on behalf and as the act and deed of the District. The Board has not participated in the selection of any of the business entities which are counterparties to the Ancillary Bond Contracts.

SECTION 14. Capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the Original Order.

SECTION 15. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

* * *

PASSED AND APPROVED, this the 31st day of August, 2026.

PALACIOS INDEPENDENT SCHOOL DISTRICT

____
President, Board of Trustees

ATTEST:

____
Secretary, Board of Trustees

(DISTRICT SEAL)

[The remainder of this page intentionally left blank.]

EXHIBIT A

DFEASED OBLIGATIONS

EXHIBIT B

NOTICE OF REDEMPTION

See Tab No. __

EXHIBIT C

ESCROW AGREEMENT

See Tab No. __

CERTIFICATE OF SECRETARY

THE STATE OF TEXAS	§	
	§	
COUNTIES OF MATAGORDA AND JACKSON	§	
	§	
	§	
PALACIOS INDEPENDENT SCHOOL DISTRICT	§	

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 31st day of August, 2026, the Board of Trustees (the *Board*) of the Palacios Independent School District (the *District*) convened in regular session at the District (the *Meeting*), the duly constituted members of the Board being as follows:

Haley Garcia	President
Carl Filip	Vice President
Dane Kubecka	Secretary
Rafael Garcia	Trustee
Marcos Aparicio	Trustee
Karen Botbyl	Trustee
Fabian Marroquin	Trustee

and all of such persons were present at the Meeting, except the following: _______________, thus constituting a quorum. Among other business considered at the Meeting, the attached Resolution (the *Resolution*) entitled:

A RESOLUTION BY THE BOARD OF TRUSTEES OF THE PALACIOS INDEPENDENT SCHOOL DISTRICT PROVIDING FOR THE DEFEASANCE AND CALLING FOR REDEMPTION CERTAIN CURRENTLY OUTSTANDING DISTRICT OBLIGATIONS; DIRECTING THE BOARD SECRETARY, OR A DESIGNEE THEREOF, TO EFFECTUATE THE REDEMPTION OF THESE OBLIGATIONS; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DELEGATING TO CERTAIN DISTRICT OFFICIALS AND STAFF THE AUTHORITY TO EFFECTUATE MATTERS HEREIN RESOLVED; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced and submitted to the Board for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Trustee ______________that the Resolution be finally passed and adopted. The motion was seconded by Trustee _____________ and carried by the following vote:

__ voted "For" __ voted "Against" __ Abstained

all as shown in the official Minutes of the Board for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the District; the duly qualified and acting members of the Board on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Board was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

[The remainder of this page intentionally left blank.]

ESCROW AND TRUST AGREEMENT

THIS ESCROW AND TRUST AGREEMENT, dated as of August 31, 2026 (together with any amendments or supplements hereto, this *Agreement*), is entered into between the Palacios Independent School District (the *Issuer*), a duly organized and existing body corporate and political subdivision of the State of Texas, and ___________, ___________, ___________, as escrow agent (together with any successor in such capacity, the *Escrow Agent*), a national banking association with trust powers duly organized and existing under the laws of the United States of America and authorized to transact business in the State of Texas.

W I T N E S S E T H:

WHEREAS, the Issuer has heretofore issued and there currently remain outstanding the obligations, plus accrued interest thereon (the *Defeased Bonds*) set forth on Schedule I hereto; and

WHEREAS, the Defeased Bonds were issued pursuant to an Order which provides that the Defeased Bonds are stated to mature in such years, are redeemable prior to stated maturities, bear interest at such rates, and have debt service at the times and in the amounts set forth on Exhibit A attached hereto and made a part hereof for all purposes; and

WHEREAS, when firm banking arrangements have been made for the payment of the principal, premium, if any, and interest to the stated maturity or redemption date of the Defeased Bonds, the Defeased Bonds shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, Chapter 1207, as amended, Texas Government Code (the *Act*) authorizes the Issuer to deposit any lawfully available funds or resources, directly with any place of payment (the paying agent) for the Defeased Bonds or a designated escrow agent for the Defeased Bonds that is not the depository bank of the Issuer, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Defeased Bonds; and

WHEREAS, the Act further authorizes the Issuer to enter into an escrow agreement with any paying agent or trustee or designated escrow agent that is not the depository bank of the Issuer for the Defeased Bonds with respect to the safekeeping, investment, reinvestment, administration, and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent or trustee or escrow agent may agree, provided that such deposits may be invested only in Eligible Investments which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of the Defeased Bonds; and

WHEREAS, ___________, ___________, ___________, currently serves as the paying agent for the Defeased Bonds and ___________, ___________, ___________ is hereby designated as the Escrow Agent by the District and is not the depository bank of the District; and

WHEREAS, the Escrow Agent is designated as the escrow agent for the Defeased Bonds and this Agreement constitutes an escrow agreement as authorized and permitted by the Act; and

WHEREAS, concurrently herewith the Issuer has adopted a Resolution (the *Resolution*) authorizing the transfer and deposit at the time or times specified therein of certain available funds identified in such Resolution in an amount sufficient to refund, discharge, and make final payment of the principal of and premium, if any, on the Defeased Bonds at their respective stated maturity or redemption dates and interest thereon to such dates; and

WHEREAS, the Defeased Bonds will be paid at on the redemption date specified for payment on Exhibit A; and

WHEREAS, the Issuer desires that, certain lawfully available funds of the District shall be applied to purchase the Escrowed Securities for deposit t the credit of the Escrow Fund (hereinafter defined) created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in this Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide money which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Defeased Bonds as it accrues or accretes and becomes payable and the principal of and premium, if any, on the Defeased Bonds to their stated maturity or redemption date; and

WHEREAS, a description of the Escrowed Securities and beginning cash balance, if any, is attached hereto as Exhibit B, which Exhibit B is hereby incorporated by reference and made a part of this Agreement for all purposes; and

WHEREAS, the Issuer has completed all arrangements for the purchase of the Escrowed Securities and the deposit and credit of the same to the Escrow Fund as provided herein; and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities, particularly those in book entry form, the Issuer desires to establish an irrevocable Escrow Fund at the corporate trust office of the Escrow Agent; and

WHEREAS, the Escrow Agent is a national banking association with trust powers duly organized and existing under the laws of the United States of America and qualified to transact business in the State of Texas, and is fully qualified and empowered to enter into the Agreement; and

WHEREAS, the governing body of the Issuer has duly approved and authorized the execution of this Agreement; and

WHEREAS, the Issuer shall take all action necessary to call, pay, redeem, and retire the Defeased Bonds in accordance with the provisions thereof, including, without limitation, all actions required by the Order authorizing the issuance of the Defeased Bonds, the Act, the Resolution, and this Agreement; and

WHEREAS, the Escrow Agent is a party to this Agreement to acknowledge its acceptance of the terms and provisions hereof;

NOW, THEREFORE, in consideration of the mutual undertakings, promises, and agreements herein contained, the sufficiency of which hereby is acknowledged, and to secure the full and timely payment of the principal of, premium, if any, and the interest on the Defeased Bonds, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01 Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

Defeased Bonds means the Issuer's obligations more fully described in Schedule I to this Agreement.

Eligible Investments means (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

Escrow Agent means ___________, ___________, ___________, or its successors as Escrow Agent under this Agreement.

Escrow Fund means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

Escrowed Securities means the Eligible Investments for the Defeased Bonds described in Exhibit B attached to this Agreement or any substituted securities permitted by the provisions of Section 4.03 hereof. Investments in mutual funds and/or unit investment trusts are prohibited.

Issuer means the Palacios Independent School District.

Paying Agent means ___________, ___________, ___________, or its successors or assigns, as the paying agent/registrar for the Defeased Bonds.

Section 1.02 Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Defeased Bonds in accordance with applicable law.

ARTICLE II

DEPOSIT OF FUNDS AND ESCROWED SECURITIES

Section 2.01 Deposits in the Escrow Fund. The Issuer has as of __________, 2026 deposited, or caused to be deposited, in the Escrow Fund the money and Escrowed Securities described in Exhibit B attached to this Agreement.

Section 2.02 Receipt. The Escrow Agent acknowledges receipt of a copy of the Order authorizing the issuance of the Defeased Bonds, the Notice of Redemption, the Verification Report prepared by __________ relating to the Bonds, if any, and the Resolution. Reference herein to or citation herein of any provision of such instruments shall be deemed to be an incorporation of such provision as a part hereof.

ARTICLE III

CREATION AND OPERATION OF ESCROW FUND

Section 3.01 Escrow Fund. The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the "Palacios Independent School District ____________________, Series 20__ (2026-2027 Defeasance) Escrow Fund" (the *Escrow Fund*) for the benefit of the holders of the Defeased Bonds. The Escrowed Securities and cash, if any, are being utilized by the Issuer to defease the Defeased Bonds as specified in Exhibit B. The Escrow Agent hereby acknowledges that there has been deposited to the credit of the Escrow Fund the beginning cash balance, if any, and the Escrowed Securities described in Exhibit B. The Escrowed Securities and all proceeds therefrom shall be the property of the Escrow Fund and shall be applied only in strict conformity with the terms and conditions of this Agreement. All of the Escrowed Securities in the Escrow Fund, all proceeds therefrom, and all cash balances and reinvestment of such cash balances in accordance with Sections 4.02 and 4.03 from time to time on deposit in the Escrow Fund are hereby irrevocably pledged to the payment of the principal of, premium, if any, and interest on the Defeased Bonds which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02. When the final transfers have been made for the payment of such principal of, premium, if any, and interest on the Defeased Bonds, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties pertaining to the Escrow Fund.

Section 3.02 Payment of Principal, Premium, if any, and Interest. The Escrow Agent is hereby irrevocably instructed to transfer from the cash balances from time to time on deposit in the Escrow Fund to the Paying Agent the amounts required to pay the principal and premium, if any, of the Defeased Bonds at their redemption date and interest thereon to such date in the amounts and at the times shown in Exhibit A.

Section 3.03 Sufficiency of Escrow Fund. The Issuer represents that the successive receipts of the principal of and interest on the Escrowed Securities, together with the beginning cash balance, if any, in the Escrow Fund will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide money for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Defeased Bonds as such interest comes due, the principal and redemption premium (as applicable) of the Defeased Bonds as the principal and redemption premium, if any, come due on the Defeased Bonds, all as more fully set forth in Exhibit A attached hereto. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in any Escrow Fund shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.02, the Issuer shall timely deposit in the Escrow Fund, from lawfully available funds, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly by the Escrow Agent to the Issuer.

Section 3.04 Trust Funds. The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities, and all other assets of the Escrow Fund wholly segregated on its books from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the holders of the Defeased Bonds; and the books and records of the Escrow Agent shall reflect the foregoing. The holders of the Defeased Bonds shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they were entitled as holders of the Defeased Bonds. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right to title with respect thereto except as a trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts, or checks drawn by the Issuer or, except to the extent expressly herein provided, by the Paying Agent.

Section 3.05 Non-Presentment. If any Defeased Bonds shall not be presented to the Paying Agent for payment when the principal thereof, premium, if any, or interest thereon shall have become due, and if cash shall at such times be held by the Paying Agent in trust for that purpose sufficient and available to pay the principal and premium, if any, of such Defeased Bonds and interest thereon, it shall be the duty of the Paying Agent to hold such cash without liability to the holder of such Defeased Bonds for interest thereon after such stated maturity or redemption date, if any, in trust for the benefit of the holder of such Defeased Bonds, who shall thereafter be restricted exclusively to such cash for any claim of whatever nature on his part on or with respect to such Defeased Bonds, including for any claim for the payment thereof and interest thereon. All cash required by the provisions hereof to be set aside or held in trust for the payment of the Defeased Bonds, including interest thereon, shall be applied to and used solely for the payment of the Defeased Bonds and interest thereon with respect to which such cash has been so set aside in trust.

Subject to the provisions of the last sentence of Section 3.01, cash held by the Paying Agent in trust for the payment and discharge of any of the Defeased Bonds and interest thereon which remains unclaimed for a period of three (3) years after the stated redemption date of such Defeased Bonds shall be returned to the Issuer. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent, as appropriate, to the Issuer shall be subject to any applicable unclaimed property laws of the State of Texas.

Section 3.06 Destruction. Any Defeased Bonds canceled on account of payment by the Paying Agent shall be cremated or otherwise destroyed or handled by the Paying Agent in accordance with the Order authorizing the issuance of the Defeased Bonds.

Section 3.07 Irrevocable Escrow. The escrow created by this Agreement shall be irrevocable, and the holders of the Defeased Bonds shall have an express lien on all money and Escrowed Securities in the Escrow Fund until paid out, used, and applied in accordance with this Agreement.

ARTICLE IV

LIMITATION ON INVESTMENTS

Section 4.01 Duty to Invest. Except for the initial investment of the lawfully available funds of the Issuer in the Escrowed Securities, and except as provided in Sections 4.02, 4.03, and 4.04, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, make substitutions of the Escrowed Securities, or sell, transfer, or otherwise dispose of the Escrowed Securities.

Section 4.02 Reinvestment of Certain Cash Balances in Escrow Funds by Escrow Agent. Except as provided in Section 4.03 hereof, the Escrow Agent shall have no authority to substitute Escrowed Securities for the Escrowed Securities identified in Exhibit B hereto, provided that if there exists cash in the Escrow Fund on the respective dates identified in Exhibit C, if any, then the Escrow Agent and the District agree to make timely subscriptions for and apply such amounts to the purchase of United States Treasury Securities--State and Local Government Securities having a zero percent (0%) interest rate (Zero Interest SLGS), on the respective dates, in the respective amounts, and scheduled to mature as provided on Exhibit C, if any, by executing and filing subscription forms prepared therefor in such form as may be then required by the United States Department of the Treasury; provided that the then existing rules and regulations and policy of the United States Department of the Treasury permit and authorize such investments. Should the policies, rules, and regulations of the United States Department of the Treasury not permit or authorize the purchase of Zero Interest SLGS at such time or times, such cash balance or balances shall remain uninvested and held in trust for the benefit of the holders of the Defeased Bonds and used for the payment of the Defeased Bonds on the dates and in the amount such money would have been expended had such Zero Interest SLGS been acquired and matured.

Section 4.03 Substitutions and Reinvestments. The Escrow Agent shall be authorized to accept initially and temporarily cash and/or substituted securities pending the delivery of the Escrowed Securities identified in Exhibit B, or shall be authorized to sell, exchange, or redeem the Escrowed Securities and reinvest the proceeds thereof, together with other money held in the Escrow Fund, provided that the Escrow Agent receives the following:

(1) an opinion by an independent certified public accountant to the effect that (i) the initial and/or temporary substitution of cash and/or securities (which shall be Eligible Investments) for one or more of the Escrowed Securities identified in Exhibit B pending the receipt and delivery thereof to the Escrow Agent or (ii) the sale, exchange, or redemption of one or more of the Escrowed Securities and the reinvestment of such funds in one or more substituted securities (which shall be Eligible Investments and permitted by the laws of the State of Texas and the Order authorizing the Defeased Bonds to be held in the Escrow Fund), together with the interest thereon and other available investments and money then held in the Escrow Fund, will, in either case, be sufficient, without reinvestment, to pay, as the same become due in accordance with Exhibit A, the principal of, premium, if any, and interest on, the Defeased Bonds which have not previously been paid, and

(2) with respect to an early sale, exchange, or redemption of Escrowed Securities and the reinvestment of the proceeds thereof, an opinion of nationally recognized municipal bond counsel to the effect that (a) such investment will not cause interest on the Bonds or Defeased Bonds to be included in the gross income of the owners thereof for federal income tax purposes, under the Internal Revenue Code of 1986, as amended, and applicable related regulations, and (b) such reinvestment complies with the laws of the State of Texas and with all relevant documents relating to the issuance of the Defeased Bonds.

Section 4.04 Excess Balances. Except with respect to final transfers of amounts held in the Escrow Fund (which shall be controlled by Section 3.01), the Escrow Agent shall transfer excess amounts held in the Escrow Fund to or on the Order of the Issuer provided that the Issuer delivers to the Escrow Agent the following:

(1) an opinion by an independent certified public accountant that, after the transfer of the excess amounts, the principal amount of securities in the Escrow Fund, together with the interest thereon and other available money then held in the Escrow Fund, will be sufficient, without reinvestment, to pay, as the same become due, in accordance with Exhibit A, the principal of, premium, if any, and interest on the Defeased Bonds which have not previously been paid, and

(2) an unqualified opinion of nationally recognized bond counsel to the effect that (a) such transfer will not make the interest on the Defeased Bonds relating to such Escrow Fund subject to federal income taxation, and (b) such transfer complies with the laws of the State of Texas and with all relevant documents relating to the issuance of such Defeased Bonds and the Bonds.

Section 4.05 Allocation of Certain Escrowed Securities. The maturing principal of and interest on the Escrowed Securities in the Escrow Fund may be applied to the payment of any Defeased Bonds relating to the Escrow Fund, and no allocation or segregation of the receipts of principal or interest from such Escrowed Securities is required.

Section 4.06 Security for Funds. The Escrow Agent shall continuously collateralize the money in the Escrow Fund not invested in Escrowed Securities with securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for public funds to the extent such money is not insured by the Federal Deposit Insurance Corporation.

ARTICLE V

APPLICATION OF CASH BALANCES

Section 5.01 In General. Except as provided in Sections 3.01, 3.02, 4.02, 4.03, and 4.04, no withdrawals, transfers, or reinvestment shall be made of cash balances in the Escrow Fund.

ARTICLE VI

RECORDS AND REPORTS

Section 6.01 Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations, and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer, and the holders of the Defeased Bonds.

Section 6.02 Reports. As soon as practicable following each August 31, beginning August 31, 2027, while any amount is held in the Escrow Fund, the Escrow Agent shall prepare and send to the Issuer a written report summarizing all transactions occurring since the preceding September 1 (or since the date of establishment of the Escrow Fund with respect to the initial report) relating to the Escrow Fund, including without limitation credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Defeased Bonds or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of each such annual period.

ARTICLE VII

CONCERNING THE PAYING AGENTS AND ESCROW AGENT

Section 7.01 Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and to undertake the obligations and responsibilities imposed upon it herein and that it will carry out all of its obligations hereunder.

Section 7.02 Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of, premium, if any, and interest on the Defeased Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund.

The recitals herein and in the proceedings authorizing the Bonds shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the Order authorizing the

Defeased Bonds, other than in its role as Paying Agent/Registrar for the Defeased Bonds, and is not responsible for nor bound by any of the other provisions thereof. In its capacity as Escrow Agent, the Escrow Agent undertakes to perform such duties and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent.

The Escrow Agent makes no representations as to the value, conditions, or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder, except for its own action, neglect, or default or for any loss resulting from its negligence or bad faith.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in the exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect, or default, nor for any loss unless the same shall have been through its negligence or bad faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Issuer at any time.

Section 7.03 Compensation.

(a) The Issuer has agreed to pay the Escrow Agent as set forth in Exhibit D for the administration of this Agreement. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder and the Escrow Agent agrees to perform such request, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, including counsel fees, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses. Notwithstanding the foregoing, and notwithstanding anything else herein to the contrary, the aggregate value of this Agreement shall not exceed the dollar limitation set forth in Section 2271.002(a)(2) of the Texas Government Code, as amended.

(b) The Paying Agent is a place of payment (paying agent) for the Defeased Bonds listed on Schedule I. The Issuer shall pay to the Paying Agent the amounts due and owing for all future paying agency services of the Paying Agent with respect to such Defeased Bonds as provided in the paying agent/registrar agreement relating thereto. The District warrants that it has received from the Paying Agent approval of the arrangements herein made and written acknowledgment that the sum paid to the Paying Agent has been accepted in payment of all future paying agency services of the Paying Agent in connection with the Defeased Bonds listed on Schedule I.

Section 7.04 Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate resolution or Resolution, shall promptly appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within 60 days, a successor may be appointed by the holders of a majority in principal amount of the Defeased Bonds then outstanding for purposes of this Agreement by an instrument or instruments in writing filed with the Issuer, signed by such holders or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section within three months after a vacancy shall have occurred, the holder of any Defeased Bonds or the Escrow Agent may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a bank, trust company or other financial institution that is duly qualified under applicable law (the Act, or other appropriate statute) to serve as escrow agent hereunder and authorized and empowered to perform the duties and obligations contemplated by this Agreement and organized and doing business under the laws of the United States or one of the states, authorized under such laws to exercise corporate trust powers, having its principal office and place of business in the State of Texas or in the City of New York, New York having a combined capital and surplus of at least $50,000,000 and subject to the supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge, and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers, and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers, and duties.

Section 7.05 Notice of Redemption and/or Notice of Defeasance. The Paying Agent shall publish or mail the Notice of Redemption for the Defeased Bonds listed on Schedule I attached hereto and as required by the order authorizing such Defeased Bonds. The Escrow Agent also hereby acknowledges receipt of the Notice of Redemption which shall be published and/or mailed to the holders of the Defeased Bonds in the time, form, and manner as provided in the Order authorizing the issuance of such Defeased Bonds, but assumes no responsibilities of any kind with respect to such notice. The District has advised the Escrow Agent that the Defeased Bonds will be escrowed to the date of Stated Maturity specified in Schedule I hereto. The Paying Agent hereby acknowledges the receipt of the Notice of Redemption and its ongoing duties and responsibilities with respect to the Defeased Bonds and that the Notice of Redemption will be provided to the holders of the Defeased Bonds in the form and manner that is customary in the securities industry.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed as follows:

To the Escrow Agent:

____
____
____
Attention: __________

To the Issuer:

Palacios Independent School District
1209 Twelfth Street
Palacios, Texas 77465
Attention: Superintendent of Schools

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof.

Section 8.02 Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Issuer, the holders of the Defeased Bonds, or to any other person or persons in connection with this Agreement.

Section 8.03 Binding Agreement. This Agreement shall be binding upon the Issuer, the Escrow Agent, and their respective successors and legal representatives and shall inure solely to the benefit of the holders of the Defeased Bonds, the Issuer, the Escrow Agent, and their respective successors and legal representatives.

Section 8.04 Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.05 Governing Law. This Agreement shall be deemed to be an agreement made under the laws of the State of Texas and for all purposes shall be governed by and construed in accordance with the laws of the State of Texas and the United States of America.

Section 8.06 Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07 Amendments and Modifications. This Agreement shall be binding upon the District and the Escrow Agent and their respective successors and legal representatives and shall inure solely to the benefit of the holders of the Defeased Bonds, the District, the Escrow Agent, and their respective successors and legal representatives. Furthermore, no alteration, amendment, or modification of any provision of this Agreement shall be effective unless (i) prior written consent of such alteration, amendment, or modification shall have been obtained by the District from the holders of all Defeased Bonds outstanding at the time of such alteration, amendment, or modification and (ii) such alteration, amendment, or modification is in writing and signed by the parties hereto; provided, however, the District and the Escrow Agent may, without the consent of the holders of the Defeased Bonds (upon the District's representation to the Escrow Agent that the District has obtained the written confirmation of all rating agencies then rating the Defeased Bonds that the proposed amendment will not result in the ratings on the Defeased Bonds being lowered or withdrawn as a result of the amendment, or that the written confirmation from the rating agencies shall not be required because the proposed amendment is limited to (i) the insertion of inadvertently omitted material or the correction of mistakes or clarification of ambiguities, (ii) the pledging of additional security to the holders of the Defeased Bonds, or (iii) the deposit of additional cash or Escrowed Securities into the Escrow Fund), amend or modify the terms and provisions of this Agreement to cure in a manner determined by the District to be not adverse to the holders of the Defeased Bonds any ambiguity, formal defect, or omission in this Agreement; provided, however, that no such amendment shall adversely affect the firm banking arrangements made for the payment of the principal of, premium, if any, and interest on the Defeased Bonds.

Section 8.08 Holiday. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, is not a business day, such payment may be made or act performed or right exercised on the next succeeding business day with the same force and effect as if done on the date provided therefor herein and, in the case of any payment, no interest shall accrue for the period after such date.

Section 8.09 Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Agreement, in any and every Defeased Bonds as executed, authenticated, and delivered, and in all proceedings pertaining thereto as the Defeased Bonds shall have been modified as provided in this Agreement. The Issuer covenants that it is duly authorized under the laws of the State of Texas to execute and deliver this Agreement, that all actions on its part for the payment of the Defeased Bonds as provided herein and the execution and delivery of this Agreement have been duly and effectively taken, and that the Defeased Bonds in the hands of the holders and owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof as provided in this Agreement.

Section 8.10 Interpretation of Agreement. In the event of any disagreement or controversy hereunder or if conflicting demands or notices are made upon the Escrow Agent growing out of or relating to this Agreement or in the event that the Escrow Agent in good faith is in doubt as to what action should be taken hereunder, the Issuer expressly agrees and consents that the Escrow Agent shall have the absolute right at its election to:

(a) withhold and stop all further proceedings in, and performance of, this Agreement with respect to the issue in question and of all instructions received hereunder in regard to such issue; and

(b) file a suit in interpleader and obtain an order from a court of appropriate jurisdiction requiring all persons involved to interplead and litigate in such court their several claims and rights among themselves. Nothing in this paragraph is intended to create or expand upon any right that the Escrow Agent would otherwise have available to it under applicable law to commence an interpleader or to alter the obligations of the Escrow Agent under this Agreement.

In the event the Escrow Agent becomes involved in a controversy or litigation in connection with this Agreement, the Issuer agrees to indemnify and save the Escrow Agent harmless, to the extent permitted by law, from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Escrow Agent as a result thereof, except as a result of the Escrow Agent's own negligence or willful misconduct. The foregoing indemnification shall survive the termination of this Agreement or the resignation or removal of the Escrow Agent for any reason. The obligations of the Escrow Agent under this Agreement shall be performable at the corporate office of the Escrow Agent designated in Section 8.01 hereof.

The Escrow Agent may consult with legal counsel in the event of any dispute or question as to the construction of any of the provisions hereof or its duties hereunder, and it shall, in the absence of negligence or bad faith on the part of the Escrow Agent, incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of such counsel.

Section 8.11 Liability; Reliance; Assignment. The Escrow Agent shall not be responsible or liable to any person in any manner whatsoever for the sufficiency, correctness, genuineness, effectiveness, or validity of this Agreement with respect to the Issuer, or for the identity or authority of any person making or executing this Agreement for and on behalf of the Issuer. The Escrow Agent is authorized by the Issuer to rely upon the representations of the Issuer with respect to this Agreement and the deposits made pursuant hereto and as to the Issuer's right and power to execute and deliver this Agreement, and the Escrow Agent shall not be liable in any manner as a result of such reliance. The duty of the Escrow Agent hereunder shall only be to the Issuer and the holders of the Defeased Bonds. Neither the Issuer nor the Escrow Agent shall assign or attempt to assign or transfer any interest hereunder or any portion of any such interest without the written consent of each of the parties to this Agreement.

The Escrow Agent is also authorized to transfer funds relating to the redemption and defeasance of the Defeased Bonds in the manner disclosed in the closing memorandum as prepared by the District's financial advisor, bond counsel, or other agent. The Escrow Agent may act on a facsimile or email transmission of the closing memorandum acknowledged by the financial advisor, bond counsel, or the District as the final closing memorandum. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such memorandum or instructions.

The Escrow Agent may act on any order, request, approval or other authority relating to the Defeased Bonds which is provided by the District through a facsimile or e-mail transmission without the necessity of obtaining an original or executed copy of any such authority.

Section 8.12 Required Contract Verifications. The undersigned company, for purposes of sections 2252.152, 2271.002, 2274.002, and 2276.002, Texas Government Code, as amended, hereby verifies that the company and any parent company, wholly owned subsidiary, majority-owned subsidiary, and affiliate:

1) Do not boycott energy companies and will not boycott energy companies during the term of this Agreement. "Boycott energy company" has the meaning provided in section 809.001 of the Texas Government Code, as amended.

2) Do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of such Agreement. "Discriminate against a firearm entity or firearm trade association" has the meaning provided in section 2274.001(3) of the Texas Government Code, as amended. "Firearm entity" and "firearm trade association" have the meanings provided in section 2274.001(6) and (7) of the Texas Government Code, as amended.

3) Do not boycott Israel and will not boycott Israel during the term of such Agreement. "Boycott Israel" has the meaning provided in section 808.001 of the Texas Government Code, as amended.

4) Unless affirmatively declared by the United States government to be excluded from its federal sanctions regime relating to Sudan, its federal sanctions regime relating to Iran, or any federal sanctions regime relating to a foreign terrorist organization, are not identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under section 2252.153 or section 2270.0201 of the Texas Government Code, as amended. "Affiliate" means any entity that controls, is controlled by, or is under common control with the company within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

Notwithstanding anything contained herein, the representations and covenants contained in this section shall survive termination of this Agreement until the statute of limitations has run.

Section 8.13 Counterparts. This Agreement may be executed in any number of counterparts, each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

Section 8.14 Incorporation of Preamble Recitals. The recitals contained in the preamble to this Agreement are hereby found to be true, and such recitals are hereby made a part of this Agreement for all purposes and are adopted as a part of the judgment and findings of the Issuer.

[The remainder of this page intentionally left blank]

__________, as Escrow Agent

By ______________________________________

Title ____________________________________

Address: __________

____

ACKNOWLEDGEMENT OF RECEIPT OF NOTICE AND CONTINUING DUTIES

The undersigned acknowledges the receipt of the Resolution and the Escrow and Trust Agreement pertaining to the defeasance of the Defeased Bonds and consents to the provisions of, and acknowledges its ongoing duties and responsibilities with respect to the Defeased Bonds as specified under, Sections 7.03(b) and 7.05 hereof. The undersigned also acknowledges receipt of the order authorizing the issuance of the Defeased Bonds and the Notice of Redemption. The Notice of Redemption described in Section 7.05 will be provided to the holders of the Defeased Bonds in the form and manner that is customary in the securities industry.

____

By:____________________________
Title:___________________________
Address: __________
____

INDEX TO EXHIBITS

Schedule I

Defeased Bonds

Exhibit A

Schedule of Debt Service to pay the Defeased Bonds

Exhibit B

Escrowed Securities and Cash to pay the Defeased Bonds

1.	Open Market Securities	$__________
2.	Cash Deposit	____
		$__________

Exhibit C

Escrow Fund Cash Flow and Reinvestment

Exhibit D

Escrow Agent Compensation

PALACIOS INDEPENDENT SCHOOL DISTRICT
IN-HOUSE
BUDGET CHANGE REQUEST
BUDGET AMENDMENT # 2

		AMOUNT	
BUDGET CODE	DESCRIPTION	DECREASE	INCREASE
199.00.5812.00.000.600TIA	TIA FUNDING 25/26	$ 141,819.00	
199.11.61XX.00.000.699TIA	TIA FUNDING 25/26		$ 129,538.00
199.11.63XX.00.000.699TIA	TIA FUNDING 25/26		$ 10,781.00
199.11.64XX.00.000.699TIA	TIA FUNDING 25/26		$ 1,500.00
	TOTAL	$ 141,819.00	$ 141,819.00
199.00.3700.00.000.600000	INCENTIVE SALARIES 25/26	$ 151,450.00	
199.00.3700.00.000.600000	INCENTIVE BENEFITS 25/26	$ 3,394.00	
199.11.61XX.RB.000.600000	INCENTIVE SALARIES 25/26		$ 93,600.00
199.11.61XX.RB.000.600000	INCENTIVE BENEFITS 25/26		$ 2,008.00
199.12.61XX.RB.000.600000	INCENTIVE SALARIES 25/26		$ 1,950.00
199.12.61XX.RB.000.600000	INCENTIVE BENEFITS 25/26		$ 42.00
199.13.61XX.RB.000.600000	INCENTIVE SALARIES 25/26		$ 650.00
199.13.61XX.RB.000.600000	INCENTIVE BENEFITS 25/26		$ 14.00
199.21.61XX.RB.000.600000	INCENTIVE SALARIES 25/26		$ 2,600.00
199.21.61XX.RB.000.600000	INCENTIVE BENEFITS 25/26		$ 56.00
199.23.61XX.RB.000.600000	INCENTIVE SALARIES 25/26		$ 8,450.00
199.23.61XX.RB.000.600000	INCENTIVE BENEFITS 25/26		$ 173.00
199.31.61XX.RB.000.600000	INCENTIVE SALARIES 25/26		$ 3,250.00
199.31.61XX.RB.000.600000	INCENTIVE BENEFITS 25/26		$ 70.00

REASON FOR REQUEST:
TO BUDGET FOR TEA FUNDED TIA FUNDS NOT BUDGET IN 2025/2026
TO BUDGET FOR BOARD APPROVED INCENTIVE SALARIES/BENEFITS IN NOVEMEBER 2025

Peggy Scantlen — 8/31/2026
ORIGINATOR — DATE

APPROVED ( )
DENIED ( )

SUPERINTENDENT — DATE

APPROVED ( )
DENIED ( )

BOARD OFFICER — DATE

REVISED 08/2026

PALACIOS INDEPENDENT SCHOOL DISTRICT

IN-HOUSE

BUDGET CHANGE REQUEST

BUDGET AMENDMENT # 2

		AMOUNT	
BUDGET CODE	DESCRIPTION	DECREASE	INCREASE
199.33.61XX.RB.000.600000	INCENTIVE SALARIES 25/26		$ 1,300.00
199.33.61XX.RB.000.600000	INCENTIVE BENEFITS 25/26		$ 28.00
199.34.61XX.RB.000.600000	INCENTIVE SALARIES 25/26		$ 5,200.00
199.34.61XX.RB.000.600000	INCENTIVE BENEFITS 25/26		$ 113.00
199.36.61XX.RB.000.600000	INCENTIVE SALARIES 25/26		$ 3,250.00
199.36.61XX.RB.000.600000	INCENTIVE BENEFITS 25/26		$ 70.00
199.41.61XX.RB.000.600000	INCENTIVE SALARIES 25/26		$ 13,000.00
199.41.61XX.RB.000.600000	INCENTIVE BENEFITS 25/26		$ 280.00
199.51.61XX.RB.000.600000	INCENTIVE SALARIES 25/26		$ 14,950.00
199.51.61XX.RB.000.600000	INCENTIVE BENEFITS 25/26		$ 470.00
199.52.61XX.RB.000.600000	INCENTIVE SALARIES 25/26		$ 1,950.00
199.52.61XX.RB.000.600000	INCENTIVE BENEFITS 25/26		$ 42.00
199.53.61XX.RB.000.600000	INCENTIVE SALARIES 25/26		$ 1,300.00
199.53.61XX.RB.000.600000	INCENTIVE BENEFITS 25/26		$ 28.00
	TOTAL	$ 154,844.00	$ 154,844.00
199.00.3700.00.000.6000000	FUND BALANCE	$ 365,000.00	
199.11.6XXX.XX.XXX.6XXXXX	INSTRUCTIONAL		$ 525,000.00
199.12.6XXX.XX.XXX.6XXXXX	LIBRARY	$ 28,000.00	
199.13.6XXX.XX.XXX.6XXXXX	STAFF DEVELOPMENT	$ 21,000.00	

REASON FOR REQUEST:

TO COVER DEFICIT IN 2025/2026

	Peggy Scantlen	8/31/2026
	ORIGINATOR	DATE
APPROVED ( ) DENIED ( )	____________________	__________
	SUPERINTENDENT	DATE
APPROVED ( ) DENIED ( )	____________________	__________
	BOARD OFFICER	DATE

REVISED 08/2026

PALACIOS INDEPENDENT SCHOOL DISTRICT
IN-HOUSE
BUDGET CHANGE REQUEST
BUDGET AMENDMENT # 2 PAGE 3

		AMOUNT	
BUDGET CODE	**DESCRIPTION**	**DECREASE**	**INCREASE**
199.21.6XXX.XX.XXX.6XXXXX	LEADERSHIP		$ 22,000.00
199.23.6XXX.XX.XXX.6XXXXX	PRINCIPAL		$ 12,000.00
199.31.6XXX.XX.XXX.6XXXXX	COUNSELING	$ 40,000.00	
199.33.6XXX.XX.XXX.6XXXXX	NURSE	$ 72,000.00	
199.36.6XXX.XX.XXX.6XXXXX	EXTRACURRICULAR		$ 52,000.00
199.41.6XXX.XX.XXX.6XXXXX	ADMINSTRATION	$ 105,000.00	
199.51.6XXX.XX.XXX.6XXXXX	MAINTENANCE		$ 132,000.00
199.52.6XXX.XX.XXX.6XXXXX	SECURITY	$ 2,000.00	
199.99.6XXX.XX.XXX.6XXXXX	TAX APPRAISAL	$ 110,000.00	
	TOTAL	$ 743,000.00	$ 743,000.00
	TOTAL CHANGE TO BUDGET	$ 1,039,663.00	$ 1,039,663.00

REASON FOR REQUEST:

"The Board of Trustees hereby authorizes the Chief Financial Officer to execute any final, administrative budget amendments and cross-functional transfers necessary to align the budget with actual year-end revenues and expenditures to properly close out the 2025-2026 fiscal year, provided that such adjustments have a net-zero fiscal impact on the total approved budget and are presented to the Board for ratification at the next scheduled meeting."

Peggy Scantlen — 8/31/2026
ORIGINATOR — DATE

APPROVED ( )
DENIED ( )

SUPERINTENDENT — DATE

APPROVED ( )
DENIED ( )

BOARD OFFICER — DATE

REVISED 08/2026

PALACIOS ISD
YTD PERCENT OF BUDGET RECEIVED/EXPENDED
FOR AUGUST 31, 2026 BOARD MEETING
FUND BALANCE REPORT FOR BOARD AMENDMENT

Revenue Type	2025-2026 ADOPTED BUDGET	Amended Budget	YTD Revenue	ESTIMATED AUG 2026 REVENUE	ENDING BALANCE	(OVER)/SHORT
5700-LOCAL REVENUE	14,985,247.00	14,985,247.00	15,841,721.33	$ 97,407.01	15,939,128.34	(953,881.34)
5800-STATE REVENUE	3,881,958.00	3,881,958.00	3,853,029.88	158,912.00	4,011,941.88	(129,983.88)
5900 - FEDERAL REVENUE	272,900.00	272,900.00	849,508.18	-	849,508.18	(576,608.18)
TOTAL GENERAL FUND:	**19,140,105.00**	**19,140,105.00**	**20,544,259.39**	**256,319.01**	**20,800,578.40**	**(1,660,473.40)**
					-	-

Expenditure by Function	2025-2026 ADOPTED BUDGET	Amended Budget	YTD Expenditures	ESTIMATED AUG 2026 EXPENSES	ENDING BALANCE	OVER/(SHORT)
11 - Instruction	9,258,158.00	9,247,340.00	9,723,414.79	246,225.68	9,969,640.47	(722,300.47)
12 - Library	214,331.00	214,331.00	184,057.82	3,090.95	187,148.77	27,182.23
13 - Staff Development	311,881.00	311,881.00	286,078.95	3,993.78	290,072.73	21,808.27
21- Leadership	321,698.00	321,698.00	339,561.70	5,353.67	344,915.37	(23,217.37)
23 - Principal	953,646.00	953,646.00	956,339.07	16,318.23	972,657.30	(19,011.30)
31 - Counseling	434,466.00	434,466.00	383,985.46	7,824.06	391,809.52	42,656.48
33 - Nurse	242,619.00	242,619.00	165,867.25	2,985.96	168,853.21	73,765.79
34 - Transportation	643,116.00	643,116.00	623,081.44	16,615.01	639,696.45	3,419.55
36- Extracurricular	1,194,865.00	1,194,865.00	1,217,849.08	28,012.88	1,245,861.96	(50,996.96)
41 - Administration	892,306.00	892,306.00	776,991.18	16,085.45	793,076.63	99,229.37
51 - Maintenance	3,385,913.00	3,385,913.00	3,375,995.84	141,230.81	3,517,226.65	(131,313.65)
52 - Security	300,774.00	300,774.00	294,107.08	5,475.60	299,582.68	1,191.32
53 - Technology	543,513.00	543,513.00	535,085.05	4,642.55	539,727.60	3,785.40
61- Community Services	48,047.00	48,047.00	47,862.16	56.06	47,918.22	128.78
81- Capital Outlay (Fund Bal)	-	-	-		-	-
					-	-
					-	-
91 - Excess Local Revenue	-	-	-		-	-
93-Shared Services	-	10,818.00	10,817.96		10,817.96	0.04
99 - Tax Appraisal	606,861.00	606,861.00	492,040.58		492,040.58	114,820.42
8911 - Transfers Out		-	-		-	-
GENERAL FUND EXPENSES:	**19,352,194.00**	**19,352,194.00**	**19,413,135.41**	**497,910.69**	**19,911,046.10**	**(558,852.10)**
NET REVENUE/EXPENSES:	**(212,089.00)**	**(212,089.00)**	**1,131,123.98**		**889,532.30**	

NOTE: AFTER 12 MONTH OF OPERATION, EXPENDITURES SHOULD NOT EXCEED 100%

CHILD NUTRITION	2025-2026 ADOPTED BUDGET	Amended Budget	YTD			
FUND 240 REVENUES	1,036,744.00	1,036,744.00	833,169.68	$ 125,195.00	958,364.68	
FUND 240 EXPENDITURES	1,036,744.00	1,036,744.00	890,474.75	49,407.71	939,882.46	
CHILD NUTRITION NET:	**-**	**-**	**(57,305.07)**	**75,787.29**	**18,482.22**	

DEBT SERVICE	2025-2026 ADOPTED BUDGET	Amended Budget	YTD			
FUND 599 REVENUES	8,104,118.00	8,104,118.00	6,682,343.51	$ 15,000.00	6,697,343.51	
FUND 599 EXPENDITURES	8,104,118.00	8,104,118.00	8,101,567.43	-	8,101,567.43	
DEBT SERVICE NET:	**-**	**-**	**(1,419,223.92)**	**15,000.00**	**(1,404,223.92)**	

	2025-2026 ADOPTED BUDGET	Amended Budget	YTD Totals			
TOTAL ALL FUNDS-REVENUE	28,280,967.00	28,280,967.00	28,059,772.58			
TOTAL ALL FUNDS-EXPENSES	28,493,056.00	28,493,056.00	28,405,177.59			
NET REVENUE/EXPENSES:	(212,089.00)	(212,089.00)	**(345,405.01)**			

CURRENT ASSETS	12,442,428.70
ESTIMATED REVENUES FOR YEAR END 2026	256,319.01
CURRENT LIABILITIES	(1,352,421.26)
ESTIMATED EXPENSES FOR YEAR END 2026	(497,910.69)
INCENTIVE EXPENSES	(154,844.00)
DEFECIT EXPENSE	(365,000.00)
ESTIMATED FUND BALANCE AS OF 08/28/2026	10,328,571.76

ESTIMATED FUND BALANCE AS OF 08/28/2026	10,325,571.76
FUND BALANCE AS OF 08/31/2025	(9,973,268.00)
	352,303.76

PALACIOS ISD
YTD PERCENT OF BUDGET RECEIVED/EXPENDED DETAIL
FOR AUGUST 31, 2026 BOARD MEETING
FUND BALANCE REPORT FOR BOARD AMENDMENT

REVENUE EXPLANATION

57XX REVENUE ESTIMATED-MISC. REVENUE, COLLECTIONS, INTEREST $97,407.01
5811 PER CAPITA - TEA STILL OWES US $99,269.00 PER TEA LEDGER
5812 FSP - TEA SHOWS THEY OVER PAID US $183,533.00/ TIA 2025/2026 FUNDS DUE AT SETTLEUP $141,619.00
5831 TRS ON BEHALF FOR JUNE 2026 $101,357.00 2 SIDED ENTRY CREDIT/DEBIT TO 6144 ALL FUNDS
5919 ERATE FUNDING RECEIVED EMAIL PAPERWORK IN PROGRESS $72,900.00 - RECEIVED FUNDING 08/20/2026

59XX RECEDIVED FEMA FUNDS $843,100.08 FOR BERYLE/ SHARS REIMBURSEMENT LESS $66,491.90 THAN BUDGETED

ESTIMATED AUGUST 2026 EXPENSES NOT PAID

		$ 31,832.16	ENCUMBRANCES
		$ 14,665.73	TRS ABOVE STATE-AUG 2026
		$ 8,308.80	TRS NON-OASDI-AUG 2026
		$ 12,505.89	FUND 211-6 OVERAGE
		$ 1,532.89	6144 EXPENSES
		$ 69,342.29	6144 MEDICAID PART D
		$ 15,000.00	6144 MEDICAID PART D
		$ 809.73	FUND 225-6 OVERAGE
		$ 51,737.21	WORKER'S COMP
		$ 40,490.98	TRS ON BEHALF-AUG 2026
FUNC 11	$ 246,225.68		
		$ 155.35	TRS NON-OASDI-AUG 2026
		$ 176.74	TRS ABOVE STATE-AUG 2026
		$ 843.78	6144 MEDICAID PART D
		$ 30.56	FUND 2116 OVERAGE
		$ 890.29	WORKER'S COMP
		$ 995.23	TRS ON BEHALF-AUG 2026
FUNC 12	$ 3,090.95		
		$ 218.70	TRSF NON-OASDI-AUG 2026
		$ 562.71	TRS ABOVE STATE-AUG 2026
		$ 1,256.85	6144 MEDICAID PART D
		$ 43.26	AUG FUEL
		$ 763.41	WORKER'S COMP
		$ 1,148.85	TRS ON BEHALF-AUG 2026
FUNC 13	$ 3,993.78		
		$ 32.00	ENCUMBRANCES
		$ 301.67	TRS NON-OASDI-AUG 2026
		$ 565.42	TRS ABOVE STATE-AUG 2026
		$ 1,667.22	6144 MEDICAID PART D
		$ 9.27	AUG FUEL
		$ 1,255.34	WORKER'S COMP
		$ 1,522.75	TRS ON BEHALF-AUG 2026
FUNC 21	$ 5,353.67		
		$ 1,226.64	TRS NON-OASDI-AUG 2026
		$ 1,057.42	TRS ABOVE STATE-AUG 2026
		$ 5,338.99	6144 MEDICAID PART D
		$ 25.00	PHILLIP SWOPE
		$ 3,793.82	WORKER'S COMP
		$ 4,876.36	TRS ON BEHALF-AUG 2026
FUNC 23	$ 16,318.23		
		$ 427.33	TRS NON-OASDI-AUG 2026
		$ 555.57	TRS ABOVE STATE-AUG 2026
		$ 2,318.90	6144 MEDICAID PART D
		$ 2,404.29	WORKER'S COMP
		$ 2,117.97	TRS ON BEHALF-AUG 2026
FUNC 31	$ 7,824.06		
		$ 162.60	TRS NON-OASDI-AUG 2026
		$ 213.21	TRS ABOVE STATE-AUG 2026
		$ 882.41	6144 MEDICAID PART D
		$ 921.59	WORKER'S COMP
		$ 805.95	TRS ON BEHALF-AUG 2026
FUNC 33	$ 2,985.96		
		$ 1,456.85	ENCUMBRANCES
		$ 405.25	TRS NON-OASDI-AUG 2026
		$ 2,963.33	6144 MEDICAID PART D
		$ 846.90	VEHICLE REPAIRS
		$ 300.00	VEHICLE RENTAL
		$ 4,848.87	AUG FUEL
		$ 2,332.84	WORKER'S COMP
		$ 3,160.97	TRS ON BEHALF-AUG 2026
		$ 300.00	TIRE CHANGE/REPAIR
FUNC 34	$ 16,615.01		

		$ 6,137.20	ENCUMBRANCES
		$ 694.41	TRS NON-OASDI-AUG 2026
		$ 1,661.94	TRS ABOVE STATE-AUG 2026
		$ 3,990.94	6144 MEDICAID PART D
		$ 216.00	DRILL TEAM MEALS
		$ 2,856.41	AUG FUEL
		$ 400.00	BAND MEALS
		$ 850.00	REFEREES
		$ 2,459.00	ATHLETIC TRAVEL MEALS
		$ 4,776.58	WORKER'S COMP
		$ 3,870.40	TRS ON BEHALF-AUG 2026
FUNC 36	$ 28,012.88		
		$ 5,179.76	ENCUMBRANCES
		$ 575.07	TRS NON-OASDI-AUG 2026
		$ 659.32	TRS ABOVE STATE-AUG 2026
		$ 300.00	NOTICE- RATE/BUDGET
		$ 553.00	NOTICE-RATE/BUDGET
		$ (250.00)	REFUND
		$ 2,985.63	6144 MEDICAID PART D
		$ 38.54	AUG FUEL
		$ 3,316.82	WORKER'S COMP
		$ 2,727.11	TRS ON BEHALF-AUG 2026
FUNC 41	$ 16,085.45		
		$ 4,260.00	ENCUMBRANCES
		$ 1,289.45	TRS NON-OASDI-AUG 2026
		$ 2,200.00	ESTIMATED EXPENSES
		$ 13,202.00	ESTIMATED EXPENSES
		$ 12,000.00	ESTIMATED EXPENSES
		$ 80,000.00	ESTIMATED EXPENSES
		$ 3,300.00	DUES-TASB
		$ 6,411.62	6144 MEDICAID PART D
		$ 1,857.65	FIRETRON
		$ 853.65	FIRETRON
		$ 23.88	SAM'S CLUBS
		$ 1,745.78	AUG FUEL
		$ 2,000.00	CHIILER REPAIRS
		$ 6,230.73	WORKER'S COMP
		$ 5,858.05	TRS ON BEHALF-AUG 2026
FUNC 51	$ 141,230.81		
		$ 297.76	TRS NON-OASDI-AUG 2026
		$ 1,784.36	6144 MEDICAID PART D
		$ 572.97	AUG FUEL
		$ 1,190.76	WORKER'S COMP
		$ 1,629.75	TRS ON BEHALF-AUG 2026
FUNC 52	$ 5,475.60		
		$ 301.97	TRS NON-OASDI-AUG 2026
		$ 1,570.48	6144 MEDICAID PART D
		$ 49.98	AMAZON
		$ 1,285.72	WORKER'S COMP
		$ 1,434.40	TRS ON BEHALF-AUG 2026
FUNC 53	$ 4,642.55		
		$ 56.06	WORKER'S COMP
FUNC 61	56.06		
		$ 4,746.76	ENCUMBRANCES
		$ 567.14	TRS NON-OASDI-AUG 2026
		$ 233.00	GOLD STAR
		$ 41,165.73	FOOD
		$ 2,695.08	WORKER'S COMP
FUND 240	$ 49,407.71		
FUNC 35			

199 FUNC:	$ 302,407.34	MATCHES LINE E34
	$ 195,503.35	
	$ 497,910.69	

PALACIOS ISD
YTD PERCENT OF BUDGET RECEIVED/EXPENDED
FOR AUGUST 31, 2026 BOARD MEETING
FUND BALANCE REPORT FOR BOARD AMENDMENT

Revenue Type	2025-2026 ADOPTED BUDGET	Amended Budget	YTD Revenue	ESTIMATED AUG 2026 REVENUE	ESTIMATED ENDING BALANCE	(OVER)/SHORT	AFTER BOARD AMENDMENT
5700-LOCAL REVENUE	14,985,247.00	14,985,247.00	15,841,721.33	$ 97,407.01	15,939,128.34	(953,881.34)	
5800-STATE REVENUE	3,881,958.00	3,881,958.00	3,853,029.88	17,093.00	3,870,122.88	11,835.12	$ 129,983.88
5900 - FEDERAL REVENUE	272,900.00	272,900.00	849,508.18	-	849,508.18	(576,608.18)	
TOTAL GENERAL FUND:	**19,140,105.00**	**19,140,105.00**	**20,544,259.39**	**114,500.01**	**20,658,759.40**	**(1,518,654.40)**	
					-	-	

Expenditure by Function	2025-2026 ADOPTED BUDGET	Amended Budget	YTD Expenditures	ESTIMATED AUG 2026 EXPENSES	ESTIMATED ENDING BALANCE	OVER/(SHORT)	AFTER BOARD AMENDMENT
11 - Instruction	9,258,158.00	9,247,340.00	9,723,414.79	246,225.68	9,969,640.47	(722,300.47)	$ 40,126.53
12 - Library	214,331.00	214,331.00	184,057.82	3,090.95	187,148.77	27,182.23	$ 1,174.23
13 - Staff Development	311,881.00	311,881.00	286,078.95	3,993.78	290,072.73	21,808.27	$ 1,472.27
21- Leadership	321,698.00	321,698.00	339,561.70	5,353.67	344,915.37	(23,217.37)	$ 1,438.63
23 - Principal	953,646.00	953,646.00	956,339.07	16,318.23	972,657.30	(19,011.30)	$ 1,611.70
31 - Counseling	434,466.00	434,466.00	383,985.46	7,824.06	391,809.52	42,656.48	$ 5,976.48
33 - Nurse	242,619.00	242,619.00	165,867.25	2,985.96	168,853.21	73,765.79	$ 3,093.79
34 - Transportation	643,116.00	643,116.00	623,081.44	16,615.01	639,696.45	3,419.55	$ 8,732.55
36- Extracurricular	1,194,865.00	1,194,865.00	1,217,849.08	28,012.88	1,245,861.96	(50,996.96)	$ 4,323.04
41 - Administration	892,306.00	892,306.00	776,991.18	16,085.45	793,076.63	99,229.37	$ 7,509.37
51 - Maintenance	3,385,913.00	3,385,913.00	3,375,995.84	141,230.81	3,517,226.65	(131,313.65)	$ 16,106.35
52 - Security	300,774.00	300,774.00	294,107.08	5,475.60	299,582.68	1,191.32	$ 1,183.32
53 - Technology	543,513.00	543,513.00	535,085.05	4,642.55	539,727.60	3,785.40	$ 5,113.40
61- Community Services	48,047.00	48,047.00	47,862.16	56.06	47,918.22	128.78	$ 128.78
81- Capital Outlay (Fund Bal)	-	-	-		-	-	$ -
					-	-	$ -
					-	-	$ -
91 - Excess Local Revenue	-	-	-		-	-	$ -
93-Shared Services	-	10,818.00	10,817.96		10,817.96	0.04	$ -
99 - Tax Appraisal	606,861.00	606,861.00	492,040.58		492,040.58	114,820.42	$ 4,820.42
8911 - Transfers Out		-	-		-	-	$ -
GENERAL FUND EXPENSES:	**19,352,194.00**	**19,352,194.00**	**19,413,135.41**	**497,910.69**	**19,911,046.10**	**(558,852.10)**	**$ 102,810.86**
NET REVENUE/EXPENSES:	**(212,089.00)**	**(212,089.00)**	**1,131,123.98**		**747,713.30**		

NOTE: AFTER 12 MONTH OF OPERATION, EXPENDITURES SHOULD NOT EXCEED 100%

CHILD NUTRITION	2025-2026 ADOPTED BUDGET	Amended Budget	YTD	ESTIMATED AUG 2026 REV/EXP	ESTIMATED ENDING BALANCE	
FUND 240 REVENUES	1,036,744.00	1,036,744.00	833,169.68	$ 125,195.00	958,364.68	
FUND 240 EXPENDITURES	1,036,744.00	1,036,744.00	890,474.75	49,407.71	939,882.46	
CHILD NUTRITION NET:	-	-	**(57,305.07)**	**75,787.29**	**18,482.22**	

DEBT SERVICE	2025-2026 ADOPTED BUDGET	Amended Budget	YTD	ESTIMATED AUG 2026 REV/EXP	ESTIMATED ENDING BALANCE	
FUND 599 REVENUES	8,104,118.00	8,104,118.00	6,682,343.51	$ 15,000.00	6,697,343.51	
FUND 599 EXPENDITURES	8,104,118.00	8,104,118.00	8,101,567.43	-	8,101,567.43	
DEBT SERVICE NET:	-	-	**(1,419,223.92)**	**15,000.00**	**(1,404,223.92)**	

	2025-2026 ADOPTED BUDGET	Amended Budget	YTD Totals			
TOTAL ALL FUNDS-REVENUE	28,280,967.00	28,280,967.00	28,059,772.58			
TOTAL ALL FUNDS-EXPENSES	28,493,056.00	28,493,056.00	28,405,177.59			
NET REVENUE/EXPENSES:	(212,089.00)	(212,089.00)	**(345,405.01)**			

CURRENT ASSETS	12,442,428.70
ESTIMATED REVENUES FOR YEAR END 2026	256,319.01
CURRENT LIABILITIES	(1,352,421.26)
ESTIMATED EXPENSES FOR YEAR END 2026	(497,910.69)
INCENTIVE EXPENSES	(154,844.00)
DEFECIT EXPENSE	(365,000.00)
ESTIMATED FUND BALANCE AS OF 08/28/2026	10,328,571.76

ESTIMATED FUND BALANCE AS OF 08/28/2026	10,325,571.76
FUND BALANCE AS OF 08/31/2025	(9,973,268.00)
	352,303.76

PALACIOS ISD
YTD PERCENT OF BUDGET RECEIVED/EXPENDED DETAIL
FOR AUGUST 31, 2026 BOARD MEETING
FUND BALANCE REPORT FOR BOARD AMENDMENT

REVENUE EXPLANATION

57XX REVENUE ESTIMATED-MISC. REVENUE, COLLECTIONS, INTEREST $97,407.01
5811 PER CAPITA - TEA STILL OWES US $99,269.00 PER TEA LEDGER
5812 FSP - TEA SHOWS THEY OVER PAID US $183,533.00/ TIA 2025/2026 FUNDS DUE AT SETTLEUP $141,819.00
5831 TRS ON BEHALF FOR JUNE 2026 $101,357.00 2 SIDED ENTRY CREDIT/DEBIT TO 6144 ALL FUNDS
5919 ERATE FUNDING RECEIVED EMAIL PAPERWORK IN PROGRESS $72,900.00 - RECEIVED FUNDING 08/20/2026

59XX RECEDIVED FEMA FUNDS $643,100.08 FOR BERYLE/ SHARS REIMBURSEMENT LESS $66,491.90 THAN BUDGETED

ESTIMATED AUGUST 2026 EXPENSES NOT PAID

Function	Total	Amount	Description
		$ 31,832.16	ENCUMBRANCES
		$ 14,665.73	TRS ABOVE STATE-AUG 2026
		$ 8,308.80	TRS NON-OASDI-AUG 2026
		$ 12,505.89	FUND 211-6 OVERAGE
		$ 1,532.89	6144 EXPENSES
		$ 69,342.29	6144 MEDICAID PART D
		$ 15,000.00	6144 MEDICAID PART D
		$ 809.73	FUND 225-6 OVERAGE
		$ 51,737.21	WORKER'S COMP
		$ 40,490.98	TRS ON BEHALF-AUG 2026
FUNC 11	$ 246,225.68		
		$ 155.35	TRS NON-OASDI-AUG 2026
		$ 175.74	TRS ABOVE STATE-AUG 2026
		$ 843.78	6144 MEDICAID PART D
		$ 30.56	FUND 2116 OVERAGE
		$ 890.29	WORKER'S COMP
		$ 995.23	TRS ON BEHALF-AUG 2026
FUNC 12	$ 3,090.95		
		$ 218.70	TRSF NON-OASDI-AUG 2026
		$ 562.71	TRS ABOVE STATE-AUG 2026
		$ 1,256.85	6144 MEDICAID PART D
		$ 43.26	AUG FUEL
		$ 763.41	WORKER'S COMP
		$ 1,148.85	TRS ON BEHALF-AUG 2026
FUNC 13	$ 3,993.78		
		$ 32.00	ENCUMBRANCES
		$ 301.67	TRS NON-OASDI-AUG 2026
		$ 565.42	TRS ABOVE STATE-AUG 2026
		$ 1,667.22	6144 MEDICAID PART D
		$ 9.27	AUG FUEL
		$ 1,255.34	WORKER'S COMP
		$ 1,522.75	TRS ON BEHALF-AUG 2026
FUNC 21	$ 5,353.67		
		$ 1,226.64	TRS NON-OASDI-AUG 2026
		$ 1,057.42	TRS ABOVE STATE-AUG 2026
		$ 5,338.99	6144 MEDICAID PART D
		$ 25.00	PHILLIP SWOPE
		$ 3,793.82	WORKER'S COMP
		$ 4,876.36	TRS ON BEHALF-AUG 2026

Function	Total	Amount	Description
		$ 6,137.20	ENCUMBRANCES
		$ 694.41	TRS NON-OASDI-AUG 2026
		$ 1,661.94	TRS ABOVE STATE-AUG 2026
		$ 3,990.94	6144 MEDICAID PART D
		$ 216.00	DRILL TEAM MEALS
		$ 2,856.41	AUG FUEL
		$ 400.00	BAND MEALS
		$ 950.00	REFEREES
		$ 2,459.00	ATHLETIC TRAVEL MEALS
		$ 4,776.58	WORKER'S COMP
		$ 3,870.40	TRS ON BEHALF-AUG 2026
FUNC 36	$ 28,012.88		
		$ 5,179.76	ENCUMBRANCES
		$ 575.07	TRS NON-OASDI-AUG 2026
		$ 659.32	TRS ABOVE STATE-AUG 2026
		$ 300.00	NOTICE- RATE/BUDGET
		$ 553.00	NOTICE-RATE/BUDGET
		$ (250.00)	REFUND
		$ 2,985.83	6144 MEDICAID PART D
		$ 38.54	AUG FUEL
		$ 3,316.82	WORKER'S COMP
		$ 2,727.11	TRS ON BEHALF-AUG 2026
FUNC 41	$ 16,085.45		
		$ 4,260.00	ENCUMBRANCES
		$ 1,289.45	TRS NON-OASDI-AUG 2026
		$ 2,200.00	ESTIMATED EXPENSES
		$ 13,202.00	ESTIMATED EXPENSES
		$ 12,000.00	ESTIMATED EXPENSES
		$ 80,000.00	ESTIMATED EXPENSES
		$ 3,300.00	DUES-TASB
		$ 6,411.62	6144 MEDICAID PART D
		$ 1,857.65	FIRETRON
		$ 853.65	FIRETRON
		$ 23.88	SAM'S CLUBB
		$ 1,745.78	AUG FUEL
		$ 2,000.00	CHIILER REPAIRS
		$ 6,230.73	WORKER'S COMP
		$ 5,856.05	TRS ON BEHALF-AUG 2026
FUNC 51	$ 141,230.81		

FUNC 23	$ 16,318.23					$ 297.76	TRS NON-OASDI-AUG 2026
						$ 1,784.36	6144 MEDICAID PART D
		$ 427.33	TRS NON-OASDI-AUG 2026			$ 572.97	AUG FUEL
		$ 555.57	TRS ABOVE STATE-AUG 2026			$ 1,190.76	WORKER'S COMP
		$ 2,318.90	6144 MEDICAID PART D			$ 1,629.75	TRS ON BEHALF-AUG 2026
		$ 2,404.29	WORKER'S COMP	FUNC 52	$ 5,475.60		
		$ 2,117.97	TRS ON BEHALF-AUG 2026				
FUNC 31	$ 7,824.06					$ 301.97	TRS NON-OASDI-AUG 2026
						$ 1,570.48	6144 MEDICAID PART D
		$ 162.80	TRS NON-OASDI-AUG 2026			$ 49.98	AMAZON
		$ 213.21	TRS ABOVE STATE-AUG 2026			$ 1,285.72	WORKER'S COMP
		$ 882.41	6144 MEDICAID PART D			$ 1,434.40	TRS ON BEHALF-AUG 2026
		$ 921.59	WORKER'S COMP	FUNC 53	$ 4,642.55		
		$ 805.95	TRS ON BEHALF-AUG 2026				
FUNC 33	$ 2,985.96						
						$ 56.06	WORKER'S COMP
		$ 1,456.85	ENCUMBRANCES	FUNC 61	56.06		
		$ 405.25	TRS NON-OASDI-AUG 2026				
		$ 2,963.33	6144 MEDICAID PART D				
		$ 846.90	VEHICLE REPAIRS			$ 4,746.76	ENCUMBRANCES
		$ 300.00	VEHICLE RENTAL			$ 567.14	TRS NON-OASDI-AUG 2026
		$ 4,848.87	AUG FUEL			$ 233.00	GOLD STAR
		$ 2,332.84	WORKER'S COMP			$ 41,165.73	FOOD
		$ 3,160.97	TRS ON BEHALF-AUG 2026			$ 2,695.08	WORKER'S COMP
		$ 300.00	TIRE CHANGE/REPAIR	FUND 240	$ 49,407.71		
FUNC 34	$ 16,615.01			FUNC 35			
199 FUNC:	$ 302,407.34	MATCHES LINE E34					
	$ 195,503.35						
	$ 497,910.69						

PALACIOS ISD

2026-2027 4th DRAFT OF BUDGET

Meeting Date 08/31/2026

Without Consderation for an increase to compensation or a stipend.

Revenue Type	2026-2027 PROPOSED BUDGET
5700-LOCAL REVENUE	13,557,369.00
5800-STATE REVENUE	4,974,663.00
5900 - FEDERAL REVENUE	212,900.00
TOTAL GENERAL FUND:	18,744,932.00

		2026-2027 DRAFT DETAIL				
Expenditure by Function	2026-2027 PROPOSED BUDGET	SALARIES	BENEFITS 16%	TOTAL PAYROLL AND BENEFITS	NON-PAYROLL EXPENSES	TOTAL
11 - Instruction	9,944,304.00	7,749,121.57	1,239,859.45	8,988,981.02	955,323.00	9,944,304.02
12 - Library	161,673.00	115,278.20	18,444.51	133,722.71	27,950.00	161,672.71
13 - Staff Development	69,300.00	-	-	-	69,300.00	69,300.00
21- Leadership	449,717.00	365,351.14	58,456.18	423,807.32	25,910.00	449,717.32
23 - Principal	949,924.00	779,365.82	124,698.53	904,064.35	45,860.00	949,924.35
31 - Counseling	74,540.00	38,879.35	6,220.70	45,100.05	29,440.00	74,540.05
33 - Nurse	176,988.00	129,773.76	20,763.80	150,537.56	26,450.00	176,987.56
34 - Transportation	568,127.00	245,798.76	39,327.80	285,126.56	283,000.00	568,126.56
36- Extracurricular	1,229,684.00	666,025.56	106,564.09	772,589.65	457,094.00	1,229,683.65
41 - Administration	1,062,335.00	619,647.30	99,143.57	718,790.87	343,544.00	1,062,334.87
51 - Maintenance	3,267,338.00	862,170.89	137,947.34	1,000,118.23	2,267,220.00	3,267,338.23
52 - Security	266,334.00	192,184.55	30,749.53	222,934.08	43,400.00	266,334.08
53 - Technology	424,714.00	80,016.64	12,802.66	92,819.30	331,895.00	424,714.30
61- Community Services	55,380.00	47,741.00	7,638.56	55,379.56	-	55,379.56
81- Capital Outlay	-			-	-	-
91- Excess Local Revenue	116,899.00			-	116,899.00	116,899.00
93- Shared Services	12,000.00			-	12,000.00	12,000.00
99-Tax Appraisal	680,417.00			-	680,417.00	680,417.00
8911 - Transfers Out	-			-		-
GENERAL FUND EXPENSES:	19,509,674.00	11,891,354.54	1,902,616.73	13,793,971.27	5,715,702.00	19,509,673.27
NET REVENUE/EXPENSES:	(764,742.00)					
CHILD NUTRITION	2026-2027 PROPOSED BUDGET					
FUND 240 REVENUES	1,146,335.00					
FUND 240 EXPENDITURES	1,146,335.00	420,159.16	67,225.47	487,384.63	658,950.00	1,146,334.63
CHILD NUTRITION NET:	-					
		12,311,513.70	1,969,842.19	14,281,355.89	6,374,652.00	20,656,007.89

DEBT SERVICE	2026-2027 PROPOSED BUDGET
FUND 599 REVENUES	7,691,452.00
FUND 599 EXPENDITURES	6,931,661.00
DEBT SERVICE NET:	759,791.00

TOTAL	2026-2027 PROPOSED BUDGET
TOTAL ALL FUNDS-REVENUE	27,582,719.00
TOTAL ALL FUNDS-EXPENSES	27,587,670.00
NET REVENUE/EXPENSES:	(4,951.00)

Notes:

Revenue:

On account #5742.03 increased interest revenue by $15,000.00 to be a mid point of what was budgetd in 25/26 and what actually earned in 25/26

Expenditure changes:

Function 11 Salaries Teacher Incentive Allotment $126,287.10 plus benefits, correct coding on positions
Function 11 Non-Payroll cost-TIA misc cost $12,282.00 and GASB Medicare Part D Calculations $116,357.00 2026 estimates
Function 13 realigning of positions for coding purposes
Function 21 realigning of positions for coding purposes
Function 23 realigining of positions for coding purposes and use of grants
Function 41 realigning of positions for coding purposes
Function 51 realigning of positions for coding purposes
Function 53 realigning of positions use of grants
Function 99 had estimated increase of $10,700.00, for Matagorda County Appraisal District Quarterly payment schedule

Fund 240 increase of $7,290.00 spreadsheet calculation error

PALACIOS ISD

2026-2027 4th DRAFT OF BUDGET

Meeting Date 08/31/2026

$750 stipend for all employees

Revenue Type	2026-2027 PROPOSED BUDGET
5700-LOCAL REVENUE	13,557,369.00
5800-STATE REVENUE	4,974,663.00
5900 - FEDERAL REVENUE	212,900.00
TOTAL GENERAL FUND:	18,744,932.00

		2026-2027 DRAFT DETAIL						
Expenditure by Function	2026-2027 PROPOSED BUDGET	SALARIES	$750 STIPEND	SALARIES, RAISE AND STIPEND	BENEFITS 16%	TOTAL PAYROLL AND BENEFITS	NON-PAYROLL EXPENSES	TOTAL
11 - Instruction	10,073,934.00	7,749,121.57	111,750.00	7,860,871.57	1,257,739.45	9,118,611.02	955,323.00	10,073,934.02
12 - Library	164,283.00	115,278.20	2,250.00	117,528.20	18,804.51	136,332.71	27,950.00	164,282.71
13 - Staff Development	69,300.00	-		-	-	-	69,300.00	69,300.00
21- Leadership	453,197.00	365,351.14	3,000.00	368,351.14	58,936.18	427,287.32	25,910.00	453,197.32
23 - Principal	962,104.00	779,365.82	10,500.00	789,865.82	126,378.53	916,244.35	45,860.00	962,104.35
31 - Counseling	78,890.00	38,879.35	3,750.00	42,629.35	6,820.70	49,450.05	29,440.00	78,890.05
33 - Nurse	178,728.00	129,773.76	1,500.00	131,273.76	21,003.80	152,277.56	26,450.00	178,727.56
34 - Transportation	576,827.00	245,798.76	7,500.00	253,298.76	40,527.80	293,826.56	283,000.00	576,826.56
36- Extracurricular	1,232,294.00	666,025.56	2,250.00	668,275.56	106,924.09	775,199.65	457,094.00	1,232,293.65
41 - Administration	1,084,085.00	619,647.30	18,750.00	638,397.30	102,143.57	740,540.87	343,544.00	1,084,084.87
51 - Maintenance	3,286,478.00	862,170.89	16,500.00	878,670.89	140,587.34	1,019,258.23	2,267,220.00	3,286,478.23
52 - Security	268,944.00	192,184.55	2,250.00	194,434.55	31,109.53	225,544.08	43,400.00	268,944.08
53 - Technology	427,324.00	80,016.64	2,250.00	82,266.64	13,162.66	95,429.30	331,895.00	427,324.30
61- Community Services	55,380.00	47,741.00		47,741.00	7,638.56	55,379.56	-	55,379.56
81- Capital Outlay	-			-	-	-	-	-
91- Excess Local Revenue	116,899.00			-	-	-	116,899.00	116,899.00
93- Shared Services	12,000.00			-	-	-	12,000.00	12,000.00
99-Tax Appraisal	680,417.00			-	-	-	680,417.00	680,417.00
8911 - Transfers Out	-			-	-	-		-
GENERAL FUND EXPENSES:	19,721,084.00	11,891,354.54	182,250.00	12,073,604.54	1,931,776.73	14,005,381.27	5,715,702.00	19,721,083.27
NET REVENUE/EXPENSES:	(976,152.00)							
CHILD NUTRITION	2026-2027 PROPOSED BUDGET							
FUND 240 REVENUES	1,146,335.00							
FUND 240 EXPENDITURES	1,146,335.00	420,159.16		420,159.16	67,225.47	487,384.63	658,950.00	1,146,334.63
CHILD NUTRITION NET:	-							
		12,311,513.70	182,250.00		1,999,002.19	14,492,765.89	6,374,652.00	20,867,417.89

DEBT SERVICE	2026-2027 PROPOSED BUDGET
FUND 599 REVENUES	7,691,452.00
FUND 599 EXPENDITURES	6,931,661.00
DEBT SERVICE NET:	759,791.00

TOTAL	2026-2027 PROPOSED BUDGET
TOTAL ALL FUNDS-REVENUE	27,582,719.00
TOTAL ALL FUNDS-EXPENSES	27,799,080.00
NET REVENUE/EXPENSES:	(216,361.00)

Notes:

Revenue:

On account #5742.03 increased interest revenue by $15,000.00 to be a mid point of what was budgetd in 25/26 and what actually earned in 25/26

Expenditure changes:

Function 11 Salaries Teacher Incentive Allotment $126,287.10 plus benefits, correct coding on positions

Function 11 Non-Payroll cost-TIA misc cost $12,282.00 and GASB Medicare Part D Calculations $116,357.00 2026 estimates

Function 13 realigning of positions for coding purposes

Function 21 realigning of positions for coding purposes

Function 23 realigining of positions for coding purposes and use of grants

Function 41 realigning of positions for coding purposes

Function 51 realigning of positions for coding purposes

Function 53 realigning of positions use of grants

Function 99 had estimated increase of $10,700.00, for Matagorda County Appraisal District Quarterly payment schedule

Fund 240 increase of $7,290.00 spreadsheet calculation error.

Fund 240 Func 35 cannot have stipends come out of that area, taken out of func 41

PALACIOS ISD

2026-2027 4th DRAFT OF BUDGET

Meeting Date 08/31/2026

1% Raise @ Midpoint for NonTRA with $500 stipend for all.

Revenue Type	2026-2027 PROPOSED BUDGET
5700-LOCAL REVENUE	13,557,369.00
5800-STATE REVENUE	4,974,663.00
5900 - FEDERAL REVENUE	212,900.00
TOTAL GENERAL FUND:	18,744,932.00

2026-2027 DRAFT DETAIL

Expenditure by Function	2026-2027 PROPOSED BUDGET	SALARIES	1% RAISE	$500 STIPEND	SALARIES, RAISE AND STIPEND	BENEFITS 16%	TOTAL PAYROLL AND BENEFITS	NON-PAYROLL EXPENSES	TOTAL
11 - Instruction	10,055,491.00	7,749,121.57	21,850.65	74,000.00	7,844,972.22	1,255,195.56	9,100,167.78	955,323.00	10,055,490.78
12 - Library	163,969.00	115,278.20	479.52	1,500.00	117,257.72	18,761.24	136,018.96	27,950.00	163,968.96
13 - Staff Development	69,300.00	-			-	-	-	69,300.00	69,300.00
21- Leadership	455,592.00	365,351.14	3,064.35	2,000.00	370,415.49	59,266.48	429,681.97	25,910.00	455,591.97
23 - Principal	966,482.00	779,365.82	7,274.03	7,000.00	793,639.85	126,982.38	920,622.23	45,860.00	966,482.23
31 - Counseling	82,309.00	38,879.35	3,697.35	3,000.00	45,576.70	7,292.27	52,868.97	29,440.00	82,308.97
33 - Nurse	179,335.00	129,773.76	1,023.24	1,000.00	131,797.00	21,087.52	152,884.52	26,450.00	179,334.52
34 - Transportation	576,339.00	245,798.76	2,079.47	5,000.00	252,878.23	40,460.52	293,338.75	283,000.00	576,338.75
36- Extracurricular	1,233,304.00	666,025.56	1,621.06	1,500.00	669,146.62	107,063.46	776,210.08	457,094.00	1,233,304.08
41 - Administration	1,081,642.00	619,647.30	4,144.14	12,500.00	636,291.44	101,806.63	738,098.07	343,544.00	1,081,642.07
51 - Maintenance	3,287,927.00	862,170.89	6,748.56	11,000.00	879,919.45	140,787.11	1,020,706.56	2,267,220.00	3,287,926.56
52 - Security	269,867.00	192,184.55	1,546.06	1,500.00	195,230.61	31,236.90	226,467.51	43,400.00	269,867.51
53 - Technology	428,640.00	80,016.64	1,884.42	1,500.00	83,401.06	13,344.17	96,745.23	331,895.00	428,640.23
61- Community Services	55,380.00	47,741.00			47,741.00	7,638.56	55,379.56	-	55,379.56
81- Capital Outlay	-				-	-	-	-	-
91- Excess Local Revenue	116,899.00				-	-	-	116,899.00	116,899.00
93- Shared Services	12,000.00				-	-	-	12,000.00	12,000.00
99-Tax Appraisal	680,417.00				-	-	-	680,417.00	680,417.00
8911 - Transfers Out	-				-	-	-		-
GENERAL FUND EXPENSES:	19,714,893.00	11,891,354.54	55,412.85	121,500.00	12,068,267.39	1,930,922.78	13,999,190.17	5,715,702.00	19,714,892.17
NET REVENUE/EXPENSES:	(969,961.00)								
CHILD NUTRITION	2026-2027 PROPOSED BUDGET								
FUND 240 REVENUES	1,151,584.00								
FUND 240 EXPENDITURES	1,151,584.00	420,159.16	4,525.16	-	424,684.32	67,949.49	492,633.81	658,950.00	1,151,583.81
CHILD NUTRITION NET:	-								
		12,311,513.70	59,938.01	121,500.00	12,492,951.71	1,998,872.27	14,491,823.98	6,374,652.00	20,866,475.98

DEBT SERVICE	2026-2027 PROPOSED BUDGET
FUND 599 REVENUES	7,691,452.00
FUND 599 EXPENDITURES	6,931,661.00
DEBT SERVICE NET:	759,791.00

TOTAL	2026-2027 PROPOSED BUDGET
TOTAL ALL FUNDS-REVENUE	27,587,968.00
TOTAL ALL FUNDS-EXPENSES	27,798,138.00
NET REVENUE/EXPENSES:	(210,170.00)

Notes:

Revenue:

On account #5742.03 increased interest revenue by $15,000.00 to be a mid point of what was budgetd in 25/26 and what actually earned in 25/26

Expenditure changes:

Function 11 Salaries Teacher Incentive Allotment $126,287.10 plus benefits, correct coding on positions
Function 11 Non-Payroll cost-TIA misc cost $12,282.00 and GASB Medicare Part D Calculations $116,357.00 2026 estimates
Function 13 realigning of positions for coding purposes
Function 21 realigning of positions for coding purposes
Function 23 realigining of positions for coding purposes and use of grants
Function 41 realigning of positions for coding purposes
Function 51 realigning of positions for coding purposes
Function 53 realigning of positions use of grants
Function 99 had estimated increase of $10,700.00, for Matagorda County Appraisal District Quarterly payment schedule

Fund 240 increase of $7,290.00 spreadsheet calculation error.

1% Raise difference than estimate due to:

Teacher ended up having less teaching experience than had reported
Took off variopus employees that will not be replaced

Fund 240 Func 35 cannot have stipends come out of that area, taken out of func 41